Volume 4 Number 1, 2006
ISSN : 0972-7787

JOURNAL OF Hospitality & Tourism

Culture & Environment
Conservation Society

JOURNAL OF H&T
www.johat.com

Journal of Hospitality & Tourism

Publisher
Mukesh Ranga
Culture and Environment Conservation Society
(A Non-profit Non-Government Organization)
TH-2, Bundelkhand University Campus,
Jhansi-284128 INDIA
Tele-Fax : +91 0517 2321082
Mobile : +91-9415588048
E-mail: m_ranga@johat.com
Or drmukeshranga2000@yahoo.com
Website : www.johat.com

Volume 4 Number 1, 2006
ISSN : 0972-7787

JOURNAL OF Hospitality & Tourism

Culture & Environment
Conservation Society, India

Volume 4 Number 1, 2006
ISSN : 0972-7787

Editor's Dais

In the first paper of present issue Adriana Galvani analyses that international business exhibitions in Italy are rising. Exhibitors in trade shows spent a huge amount of money to entertain their clients and along with hospitality they serve high quality Italian certified food. She discusses about Bolgna as a business tourism centre which hosts a variety of international symposia, meetings, conferences & congresses. In second paper Arun Upneja alongwith Seoki Lee and Michael C. Dalbor has compared three traditional models used in the empirical finance literature: dividend discount, residual income and discounted free cash flows to Hilton stock and find convergence between discounted dividends and residual income, but not discounted cash flows. Diane Mead Niblo and Mervyn S. Jackson in "Proactive versus Reactive Security Strategies in Hotels" discuss the role of proactive and reactive security systems within the hotel industry like check-in procedures, skippers, cash floats, theft by guests and employees, scams, locker searches, policing roles, and the management of transient populations including parcel pass, surveillance and technology, and surveillance of guests. In "An Empirical Test of a Full-Service Hotel Room Pricing Model" Emmett Steed and Zheng Gu have analysed that the simple cost-based approaches of the past no longer work in today's complex and competitive market.The yield management approach of raising and lowering prices, and tightening and loosening room inventory frequently can confuse and alienate customers. They discussed how Gu (1997) model incorporates both market and cost approaches in room pricing and establishes a baseline for incorporating non-economic factors.

In "The Inter Relationship between Perceived Importance, Satisfaction and Desitnation Loyalty" Thuy-Hung Truong and Brian King discuss about the attitudes and perceptions of Amercian travellers towards Vitenam which provides the destination attributes sought by

American tourist. The paper uses variety of variables including socio-demographics, travel, characteristics, perceptions and behavioural intentions. Tze Ian Lee and Ghazali Musa explores the motivation and travel characteristics of backpackers in Malaysia. In their study the analysed that this segment is indeed heterogeneous; backpackers pursued different activities, had different motivations and exhibited different destination choice behaviors. In statistical analysis a sub-segment comprising of older travelers with different preferences and characteristics is revealed. ZHANG Mu and ZHANG HAN-Yu in "Eco-tourism as a brand development strategy for Jiexi County-strategic issues and challenges" discuss that local government makes great efforts to develop tourist industry for getting new economic growth field. It is necessary that the corporeal tourist products should be behaved with invisible eco-tourism brand through product design in Jiexi County. Thus it is easy to establish the image as eco-tourism destination brand and finally promote the tourist into sustainable development model. In "An Evalution of Critical Factors to Successful Community-Based Tourism in Kenya" Wanjohi Kibicho uses the case studies of Kimana Wildlife Sanctuary and Mwaluganje Elephant Sanctuary to analyze the growing importance of local communities' involvement in the development of tourism. he revealed that success of local community development of tourism is affected by inclusion of key stakeholders, recognition of mutual benefits to be derived from the collaborative process, perception that decisions arrived at will be implemented and collaboration in formulation of aims and objectives.

(Mukesh Ranga)

Journal of Hospitality and Tourism

Volume 4 No. 1, 2006 ISSN No. 0972-7787

BOOK REVIEW

Mukesh Ranga
Editor
Journal of Hospitality & Tourism
TH-2, Bundelkhand University Campus, Jhansi-284128 INDIA
Tele-Fax : +91 0517 2321082 Mobile : +91-9415588048
E-mail: m_ranga@johat.com Website : www.johat.com

JOURNAL OF H&T
www.johat.com

Exhibitions Related Social Events

Cocktail Hours, Banquets, Social Dinners

Adriana Galvani
Dipartimento di Scienze Economiche
University of Bologna ,Italy

Abstract : The international business exhibitions in Italy has risen to an estimated level of I billion euros. Associated with this rise is a similar increase in exhibition related services.Business exhibitions create high revenues for hotels, restaurants and entertainment facilities. Exhibitors in trade shows spend huge amounts of money to entertain attendee/clients at hospitality suites, elaborate dinners and receptions. Although exhibition halls are equipped with food in bars and restaurants, special attendees are invited to additional banquets and special dinners. At these dinners, the highest quality of Italian certified food is typically served. An excellent example of the intersection of high quality Italian food and strong business tourism occurs in Bologna. Although Bologna isn't a big city, it boasts the 5th largest conference centre in Europe and hosts a variety of international symposia, meetings, conferences, congresses. Bologna's example of integration of fine food and social events into business exhibitions creates a more relaxed and interactive business environment that is mutually beneficial to both business and the food industry.

Key words: Exhibition, Conferences, Meetings, Italian typical products, Business Tourism, Bologna.

Introduction

In this work the author would discuss food consumption related to business tourism in Bologna, Italy; in particular the communal occasions related to lectures, exhibitions and meetings. Due to the fact that exhibitors in trade shows spend huge amounts of money to entertain attendee/clients in hospitality suites, and through elaborate dinners and receptions (Fenich and Hashimoto (2004: 71), I will focus on banquets set up in exhibition centers.

Usually at these exhibition facilities the convention/ meeting organizers pay for banquets, receptions, coffee breaks and more.

Although most businessmen do not attend exhibitions for the culinary experience alone, the promise of good food does make business travel more attractive. In addition, at an exhibition more interest and foot traffic is often generated by attractive food display.

The social value of food

Good food is appreciated for its satisfying taste, its stimulation of social interaction and most importantly for promoting good health. Good quality food, made in traditional wholesome fashion, influences health in two important ways. First, quality food aids in the prevention of illness and enables the body to work most efficiently. In addition, the aesthetic value of well-presented food cannot be under-estimated. Indeed, decorative foods are often appreciated more for their presentation than their nutritional value. Wine too has obviously changed from being a basic element in the daily diet to a voluptuous product which is not strictly indispensable and which is increasingly becoming a luxury good, often with hedonistic connotations (Gasparini (2004: 2). Feeding is an art, just as art is nourishment (Barbero 2004); feeding nowadays isn't only a necessity, but more than that: it is symbol of economic power while in the past it was symbol of political power. Montanari's research asserts that, today, it is not so important to consume more food than others, but to have more food at one's disposal, if only to offer it (2004: 92). In this sense, food is used as a tool to engage someone in sentimental or business affairs; to attract people towards certain goals.

According to Roland Barthes (1970), in this society of abundance, food's nutritional worth has weaken, and instead it emphasizes other meanings. In such a way, culinary language has developed an ostentatious, flowery, and theatrical content.

So luxurious food is related to business: it is well known that business tourism involves high expenses for hotels, restaurants, and banquets (Clark 2004: 7).

Business tourism

Evidence shows that conventions and meetings are but two components of a vast tourism/entertainment sector that has helped to revitalize local economies in recent decades, due to the fact that in recent years, conventions, meetings and business travel have been essential for local economic vitality and the revitalization of downtowns" (Laslo and Judd, 2004: 82, 83).

This is because of the large amount of money that drives business travel and events. In this sense "over the last several decades, small and medium-sized cities have been participants in an economic development gold rush to build convention centers" (McNeill and and Evans, 2004: 39).

McNeill and Evans are reminding us that over the last 30 years, meetings and conventions growth in the United States has been nothing less than spectacular (cited: 24).

Carlsen too describes conventions as the seams of gold that run through tourism, but he regrets that there is limited academic literature specific to the development of convention and exhibition centers (2004: 47). It is recognized by Carlsen (2004: 59) that conventions and business tourism are vital tools for education, marketing, networking, and corporate communication, and therefore they play an important role in the economy. Furthermore, the increased specialization that has occurred in almost every profession has caused specialists to unit with other people of similar interests across the world, when the number of "niche" specialists at any given location is generally very small (Shure 1996, a).

New technologies have likewise increased the efficiency and the economic productivity of meetings (Shure 1996, b). According to Laslo and Judd "the new infrastructures and amenities of tourism and entertainment offer far more benefit to cities than the attraction of out-of-town visitors" (2004: 85). Las Vegas executives too believe that business is now more important than recreational travel than ever before (Berns 2000: 1). Las Vegas isn't alone, "the strategy of targeting conventions' business as a significant tourism market has been adopted by several cities around the world seeking to achieve international recognition by hosting major international conventions" (Carlsen 2004: 51).

Trade fairs, which are held all year round and offer particular products and services, are popular throughout the world. They draw a large attendance since they are the main information source for traders and vendors. They facilitate the building of relationships and provide an opportunity to learn the market's news; they offer a chance for attendees to find jobs or to speak with specialized sector experts.

Due to the frequency of these events and their many locations, it is necessary for potential attendees to make a choice as to which to attend. People typically prefer the trade fairs characterized by a strong presence of trade professionals, while the primary aim of trade fairs exhibitors is promoting and selling the products offered.

In order to promote and sell their products, the exhibitors try to involve the visitors increasing their attendance by making the experience more entertaining and more attractive.

The Italian case study

Laslo and Judd affirm that the new "lean and mean" and flexible corporate structures based on horizontal rather than vertical organization, relies heavily on meetings (2004: 85).

This is the case in Italy, where especially small or medium industries need exhibition facilities, as they are very strictly connected to local economies. In addition, even small and medium industries are globally interlinked today. The small dimension of enterprises is a peculiarity of Italy, especially of the Emilia Romagna region, whose model of familiar enterprises has been studied and imitated around the world.

Product exhibitions started in the Middle Ages, but today, instead of decreasing, the phenomenon is increasing: "the meeting industry, which includes exhibitions, trade shows, consumer shows, associations and corporate meetings, has been expanding rapidly in recent years, and it is likely to continue to do so" (Laslo and Judd, 2004: 85). This expansion occurs in spite of web connections, because people enjoy and need personal communication; Internet connections can be helpful in a later time, facilitating further relationships and trade exchanges.

The Bocconi University estimates the value of the international exhibitions business in Italy at around 1 billion euros. With 200 international events held annually, and with the national, regional and local fairs, Italy is ranking second in the international arena with the prospect of generating even more profits (QN, January 2005: 2).

According to AEFI (Fair System in Italy), 200,000 enterprises attend every year the fair (fiera) events with 20 million national and international operators involved, generating 60 million euros worth of deals (Ferrari, 2005: 9).

Statistics show that fifty per cent of export sales originate from fair organizations. Thus, approximately, 75 percent of entrepreneurs believe that fairs are a fundamental tool for development (Ferrari 2005: 16).

The increase of services in the show facilities

To be leaders in the fair world market, it is necessary to be internationally renown, and a very important role is played by the innovation process, offering new competing services involving all the regional organization of an area.

Enlarging the area capacity no longer produces sufficient results; in this field the winning strategy is innovation, which should be brought on through sector services and organizing advertising campaigns, promotional initiatives, events, and exhibits.

One requirement to fully optimize international attraction is that convention cities provide the full range of auxiliary goods and services required by delegates and accompanying people, as world class facilities, infrastructures, and amenities.

In many cases, organizers are able to plan informal meeting occasions that can be more productive than the official event itself (Bonini and Dall'Ara 1993: 14).

Professionals offering holiday packages should involve visitors with short performances (such as theatre etc.) or offer them particular gifts. Conventions on trade topics, workshops with international experts, further initiatives aimed at contextualizing the product, as well as lunch and dinner events, attract businessmen (Todisco 2002).

Exhibitors all have to promote their products or activity to specific consumers, often characterized by cultural needs, attracted by showy innovation and aesthetic values. Generally products shown in conjunction with objects of extraneous value attract more visitors who may, in turn, pay multiple visits, in fact, non-market unrelated incentives are present for the purpose of entertainment.

Clark reports that the ratio of meeting space to exhibit space has gone from 4 to 1; to 3 to 1 over the past 10 years (2004: 18). Effectively 20 years ago the Bologna Fiera had a ratio of 10 to 1, while today the ratio is 2 to 1, including all services (Mastrobuono 2004: 7).

According to an Italian operator, services are the core of the exhibition world (Proni 2004: 14). In this sense, business and scientific meetings are more and more enriched by social events as parties and banquets, according to the exigencies of business targets.

What distinguishes Milan, from other European cities is what the Fiera Milano's organizers define as "the capacity to create an event into the event": visitors are attracted by accompanying initiatives that add glamour to the exhibitions. For example in one of the last shows, in December 2004, around 70 events were organized, such as workshops, forums, art and museums visits..." (Ferrari 2005: 5). The last Futur-Show in Milan, in addition to the exhibition facilities, involved 60 locations in the city, and the contents included a campaign for the UN "Millennium Goal" Program.

Meetings

The variation of meeting habits between people of different nationalities and localities presents particular concern for geographers.

It is well known that official dinners and receptions are widespread around the world, but their modalities differ significantly from one country to another and from one continent to another.

It seems that every country follows schematized patterns. Obviously, conventions must offer excellent services, but that excellence is contingent upon the available funds. Funds available to the conventions are in turn reliant upon both private and public allowances. Private funds depend on the economic solidity of the sponsor or on its advertisement's allocations. The variation in the allocation of funds affects the ability to provide free lunches, dinners, or refreshments.

Another basic difference should be recognized in the free or paid fees of lunches, dinners, or parties. Many paid events are of lower quality as they are included in the conference package. In contrast, the free events are staged in a more luxurious setting, in order to provide the consumers whit an extra incentive.

Food services in fairs

While services requested by international business tourists are diverse, one of the most important is F&B provision. Food in fairs is not only a practical necessity, but a nice corollary to reunions and meetings. One can meet food requirements in bars, restaurants, or in fast food establishments, but for businessmen and special attendees, banquets and reserved invitations to dinners are also offered. Services are generally provided by third-party firms and designed caterers, but food supplies are very profitable for fair operators too, due to the fact that many centers require a 10% rebate from caterers. Into and nearby the Fiera Milano there are eighty restaurants or similar services; inside the Bologna Fiera there are 22 restaurants. The designated caterer for Bologna Fiera, the CAMST company, which has been providing services there since the Fiera opening, has became the third largest food provider in Italy (Zamagni 2002). Recently, the Bologna Fiera has decreased its external assistance reliance on food providers creating a new internal catering company, "Convivia", a joint venture between the institution running the Bologna exhibition center and the caterer quoted above.

Convivia is now providing for all catering needs on the fair premises. This newly formed, highly professional outfit ensures reliability and top cuisine service standards across the whole range of catering options.

Culinary tourism

The Italian Tourist Office (ENIT) is aiming to promote culinary tourism, because it is confirmed that this is among the major sources of Italian attractions, as it has been demonstrated by many researches realized by 26 Italian Tourist offices around the world (Todisco 2002).

Trips are often aimed at culinary specialties, both directly, when one takes a trip in order to know typical products of an area or of a famous cook, and indirectly, when one takes a trip for another reason and knowledge of local production is acquired.

Exhibitions are also related to food in direct and indirect ways.

First trade exhibitions can be aimed at presenting food or food related products. Secondly, trade exhibitions may be aimed at presenting other products, but on these occasions visitors can enjoy banqueting services through which they are offered food by exhibitors as a way of entertainment.

Italy is a good venue to observe culinary events and food presentation related to exhibitions and business. Specifically, some food shows are famous around the world, such as: Vinitaly, the international wine show in Verona, replicated in several places abroad, such as Russia, Los Angeles, Chicago, Boston, and China which have begun to offer similar shows. In Verona, Enolitech is tied to wine technologies; Sol is related to olive oil advertisement, and the most comprehensive, Agrifood, is also held in Verona. In Milan, the Fiera Food System is an important event, whit parallel events in Turin with La Fiera del Gusto.

In Bologna, food is addressed as a health matter in an event called SANA, and food packaging is the focus of the Pack Show.

Italian production

Italy produces one-fifth of the over 500 European certified typical products and one-fifth of these Italian products are concentrated in Emilia-Romagna, the Italian region with the highest number of such products.

With 39 million tourists per year, Italy welcomes six percent of the world's tourist arrivals, positioning itself third in Europe, after Spain and France. Furthermore, Italy ranks second, after France for P.D.O. and P.G.I. products; among them we find some food specialties, renowned all over Italy and worldwide, such as the Parma Ham, the Parmigiano Reggiano cheese, and 300 Italian labeled wines. In addition to the mild climate, there are more than 100 art cities with more or less well-known monuments which attract visitors; but culinary traditions are often the combination of folk culture, ancient customs, authentic lifestyles, and handicraft. Some wines, cheeses, salami etc. have the taste of the past, their roots deriving from the Roman, the Greek, or even from the Etruscan age, such as the famous "Bologna" the beef and pork salami, whose name derives from the city of production and which originates from a Roman recipe.

In the Middle Ages, the markets of Bologna and Milan were famous because of the great availability of "local foods", and for their capacity to define themselves like inter-territorial, inter-regional or inter-national places of exchange.

Adriana Galvani

The city of Bologna

Bologna is the capital of the Emilia-Romagna region, in northern-central Italy. It is an ancient city, very rich in monuments, because it was one of the most important provinces in the Vatican State until the reunification of Italy in 1861. Its Science Foundation has been, for centuries, a hinge of multidisciplinary research and discoveries, as is the University, the most ancient in the world, with nine centuries of high scientific performances. Today, this University is leading the European knowledge and educational innovation process, named "The Bologna Process". Another point of strength in this area is the railway and highway connection, as Bologna is located on the Via Emilia, the ancient roman road between Rome and Milan. In addition to that, it is the central hub of the tourist line, Rome-Florence-Venice, and at the crossroad of the east- west line connecting the two Italian seas, the Tyrrhenian and the Adriatic sea, therefore connecting Rimini or Ravenna, from one coast, to Genova on the other coast, and it hosts an international, and, for a few months now, an intercontinental airport.

Its highest revenue per person in Italy, its ancient historical buildings, and its University are fostering Bologna's cultural life as much as the new facilities connected to the high level of industrialization.

The rationale for this focus is that this location is one of the most important trade communities in Italy's history of convention activities. It is the second in Italy, the fourth in Europe, the fifteenth in the world (Ferriani 2004). Certainly it is not a big city, but it is a special place for symposia, meetings, lectures, conferences. Usually, every day offers an opportunity to celebrate some meetings and conferences, thanks to the vital activity of the University, the renowned hospital, and the large number of enterprises. In this sense, Emilia-Romagna is one of the richest European regions with little and medium enterprises spread throughout; in short, it is a world celebrated model of self entrepreneurs, especially in mechanics and ceramics industries.

Even though it is a hub, Bologna is not at all a tourist city, because of its high prices, but, for all the reasons quoted above, it is a business and cultural city. In fact, it was declared by the EU, "European Cultural City" in the year 2000. This recognition has been an occasion for enhancing and promoting a number of cultural and innovating events. Bologna has been celebrated since the first centuries of the first millennium, as a capital of outstanding food, culture, and architecture, the evidence is to be found in the fact that it was named the "grassa, dotta, turrita" (fat, learned, towered). Fat, because some typical foods are connected to the rich traditions of the Etruscan and Roman culture, mixed with some elements of the Long bard or German habits. Learned, because it houses the oldest university in the world. Towered, because rich families have inhabited the city since the medieval ages, as vassals of the Church's political power and have built towers as symbols of their richness.

The highest revenues per person in Italy, the ancient historical buildings, and the University are fostering Bologna's cultural life as much as the new facilities connected to the high level of industrialization.

Bologna Convention Center Area

Trade events in Bologna began in the fifties in an open urban space, on an artificial hill which today serves as a weekly market, adapted as a showroom for a large range of products. In the sixties, according to the city plan, new exhibition facilities were created in a northern area, on the intersection of all major modes of transportation and near the highway's entrance.

The famous architect Benevolo was committed to draw the exhibition buildings in this dedicated space. He created edifices shaped as the Paris Pompidou centre. These have been later expanded by structures ideated by the Japanese architect Kenzo Tange, who also planned the city's main highway intersection and a new business focal point, all in the same area, where a building drawn by Le Corbusier already existed.

Meeting and show planners generally prefer centers located close to hotels and restaurants (Clark 2004: 12). In Bologna, the exhibition's core is relatively distant from downtown, but the small city dimensions offer an easy way back and forth, from the meeting place to the city, for the trade fair centre has been constructed in an area planned for further development. Nevertheless, the planned residential expansion in this area has not happened. It was supposed to be located at the rear of the railway station which splits the city into two parts: centre and suburbs. Suburbs are preferred for large business settlements, not for residences. Fortunately, the convention center's area is easily reachable and it is equipped with commercial offices and banks, a city theatre, a modern art gallery, parking facilities and hotels.

The railway terminals, as well as the bus terminals nearby, generate a sort of interface between the city and the closest suburbs, where the Fiera is located; in fact, one railway line arrives directly into the exhibition space . The same railway line departing from the Fiera, permits the exhibitors to join the tourist sea resort of Rimini, where not only another big exhibition feature is located, but where a large availability of hotels is offered, especially during off peak seasons. Rimini is a famous tourist resort and, in the low season, hotel prices are cheaper than in Bologna. Even though Rimini is located 75 miles away, it is a good option because Bologna lacks hotel rooms to fully reach its business potential: hotels are insufficient to accommodate the large demand, so Rimini is needed in peak fair times . The sea resort also offers skilled workers to fulfill the Bologna Fiera services demand. Nevertheless, workers are also available among the large number of Bologna University students, who find the employment suitable for the weekends.

The dimensions of "Bologna Fiera"

Since the 50's, Bologna has become one of the top convention destinations in Europe, ranking second in Italy for the number of exhibitors and visitors.

The Bologna Fiera dimensions	
Total Surface Area	340,000 m^2
Indoor Exhibition space	175,000 m^2
Outdoor Exhibition space	80,000
Services	35,000 m^2
Exhibition Halls	20
Entrances	4
Parking Availability	10,000
Theatre-seats	1,350

Source : Annual Report of 2004 Bologna Fiera

That is quite remarkable, since the city of Bologna counts only four hundred thousand inhabitants. Its strong points are mainly the number and the relevance of the thousands of enterprises around, and the fact that small or medium size industries need these facilities to advertise and market themselves, more so than the big companies.

Other reasons of Bologna Convention Centre success are its management efficiency, the city infrastructures, transportation facilities, and connections.

Nowadays, the total area of the exhibition centre measures more than 3,659,729 square feet; the indoor exhibition space covers 1,883,684 square feet and the outdoor exhibition space covers 861,112 square feet. These facilities are continuously expanding through new indoor spaces and open areas to host new events.

Twenty eight events are held throughout the year, except during the summer and public holidays. In 2004, an average of 20,000 exhibitors (of which 3,500 were foreign) were officially present, and almost 2,500,000 have been the annual visitors, for a total of 125 active days.

One of the most successful events, attracting more than one million visitors , is the "Motor-show" presenting numerous racings, cars and motors competitions, patronized by famous sportsmen.

The Motor-show was in its origin especially related to Ferrari cars - which are produced near Bologna, in the city of Modena, only thirty kilometers away - as a way to celebrate their success. Modena is also the site where the luxurious Maserati cars are produced.

In the surrounding areas of Bologna the flamboyant Lamborghini, and other famous motorbikes, such as Ducati or Benelli are produced.

The Bologna's convention centre is a sign of the high technology level of its regional enterprises, reflected by the success of the specialized regional exports: machinery, tiles and food. In fact the world renown nicknames of the Bologna region are: "packaging valley", "ceramics valley", & "food valley". Almost all types of packaging machineries all over the world derive from this area; seventy percent of the world tiles is produced between Bologna, Modena, and Reggio Emilia.

The "food valley" offers 22 regional products with European labels; precisely this region is the kingdom of fresh pasta, homeland of tagliatelle and lasagne, often enriched with Bolognese meat sauce, the specialized point for cappelletti and tortellini filled with raw ham and Parmesan.

One should not forget the numerous kinds of sweets and cakes, such as the rice cake, the pampepato, which derives its origins from the Renaissance royal scenery, and typical wines such as Lambrusco or the more rare "sand wines". It would be too much to count all the products, simply deriving from agriculture & from longstanding traditional crafts or long lasting conservation methods, such as the balsamic vinegar, obtained after 25 years of preservation in wood barrels.

Culinary traditions, new source for the Bologna tourism

Culinary traditions can be a motivation for tourism, as people move to taste precious recipes or typical fruits or vegetables. Business and food richness are strictly related in Bologna and in its region; together they have created reasons for business and cultural tourism. In a special way, here, good food is the pivot of trade tourism. As quoted earlier, Bologna is not mainly visited for its monuments, even if they are noticeable, but it is very assiduously frequented for lectures, conventions, seminars, summits, courses and especially for exhibitions, and in almost all these events gastronomy is on stage. This occurs likely because hospitality has a long tradition going back to the classical ages, and likely because food is the icon of this region. Exhibitors, businessmen, and managers sell their manufactured products in exhibitions offering local products as business gifts, which are, in most cases, edible promotional goods.

Sometimes, food caterers make compromises, according to the paradigm of "glocalisation", melding different culinary traditions as a synthesis of the choices of the "world's best", eventually adapting world renowned food to local tastes.

In this way, typical good recipes become the reward for the attention paid by trade visitors or conference attendees. Conferences or conventions are usually accompanied all around the world by social dinners, elegant buffets, smart cocktails hours, but this habit is not so widespread as in the Emilia-Romagna region, where buffets are distinguished by their wide variety and particular richness, and also the generous offering, even in the smallest and most informal meetings.

Generally, most part of the events are strictly reserved to people involved, in one way or the other, to the event; in Bologna exhibitions facilities not only are the buyers generously served with food, but also the visitors or the curious, likely with the usual 3-course meal offered in Italy.

Even in Milan, the first business city in Italy, gadgets are given as promotional merchandise instead of food; in Bologna, food is the preferred offering. Surely some samples of each are offered in meetings and press conferences, and sometime both: gadgets and cakes. However the main promotional means in this "food valley" is considered food and beverage and the most spectacular place where all this setting up is performed is the exhibition centre in Bologna. All this is a kind of generosity demonstrated by the local entrepreneurs, even among different events. Certainly the gratuity of the offer is attractive and may help organizers to sell their products; in other words, banquets are an advertisement tool. In fact, good and free food encourage people to spend more time at show stands, observing the stand's products with more interest. The strong competition among exhibitors and the large number of trade fairs around the world impose pull factors and visitors require a variety of entertainment. At this end, nice resorts are chosen to host cultural and business events, as aesthetics have a primary role, encompassing more and more the aspects of taste.

Finally, experts affirm that businessmen are going to trade fairs for technical, economic, and cultural reasons, but they attend events with more pleasure when trade is enriched by various proposals and offers, influencing the psychological aspects of individuals.

Parallel events

In Bologna, events and also shows are connected to food in a direct or indirect way, especially in the exhibition arena. The direct connection happens when the exibition's theme is the food or food related production. Several exhibitions are related to food, such as food packaging tools or machines, food conservation technologies, or food export-import business. But usually all events offer food items in order to entertain the clients longer and more pleasantly. Champagne or sweets accompany discussions, new product presentations and technical demonstrations play on consumers' psychology. What occurs in the Bologna Fiera is not at all similar to what occurs in other cities or countries; in England, the food offered during lectures or public events is very limited (in some countries just some peanuts); in Italy, food is always accompanied by good wines and "spumante" (Italian champagne) or "prosecco" (dry white wine). The special treatment of the Italian organizers is the "open offer"; this means that everyone passing through is allowed to help himself at the open buffets; in some countries, buffets are very closed with different kinds of controls and restraints. This specific behavior is the spontaneous effect of ancestral hospitality, and it gradually increases moving from the north to the south of Italy, as hospitality was a very respected habit in the ancient Greek culture, which established itself in the southern part of Italy.

The quality and quantity of banquets are very different from one exhibition stall to another, even in the same event. Generally booths offer some cakes and ales. Some are furnished inside their spaces with nice bars and sometime restaurants, even if the rental of spaces is very expensive; some of the incorporated restaurants are not always open to the public, but only to the clients or highest caliber buyers. Candies or chocolates however are offered to all trade show goers, in spaces facing the external side of the stall, towards the passage, whereas incorporated restaurants and bars are visually separated from the public. Some stands offer beverages or little sweets, characterized by the firm brand, even if the firm is not a food producer. The less expensive choice for exhibitors is to offer visitors cheap gifts as key holders with the advertised logo. Little samples are continually offered during the entire exhibition time, usually presented by attractive hostesses, whereas meals are set up during lunch hours.

At the end of trade events, it may occur that some enterprises celebrate the conclusion of a good deal with cocktail hours, enriched by champagne. The last curiosity I would like to recall regards an enterprise offering gifts for visitors during an exposition of building materials. Gifts consisted of free jars of honey labeled with an icon of a carpenter's glue; the advertisement explained that the new material was as strong as glue, but also as sweet and supple as honey. The only difficulty was that visitors did not understand if it was edible or not, so they did not take them away, even though they looked at them with curiosity.

Typical products

The most important point about food in trade shows is that generally food products of local origin are offered to the delegates or clients, even if the firms on stage are foreign. According to this, Italian and foreign exhibitors offer Italian specialties and, particularly, the regional ones, so this food ends up characterizing the typical image of the hosting area. This is supposed to attract local clients, so exhibitors adapt themselves to the local habits. Exceptions to this statement occur at the extremely specialized exhibitions , which attract people from all over the world. In this case, exhibitors offer the products of their region or the most world famous products, so that people who are curious about different tastes have the opportunity to try them.

"The multiplication of products of terroir is a manifestation of the resurgence of local identity, tied to places, giving a sense of authenticity according to traditions, in the context of globalization of the agri-food business. It also demonstrates new ties to nature, considered as a heritage, but also as entertainment, show, and even as consumption of biodiversity" (Cornier Salem 2004: 12, my translation from French).

The entertainment innovations

Very often commercial exhibitions are connected to the life of the city in which they are located and in such a way that visitors may attend related events which are offered both in the exhibition space and the city centre. The extension towards outside spaces is realized in a large variety of forms.

In many cases, exhibitors utilize space downtown or in the city as a whole, embracing several opportunities for presenting evening events as dinners, concerts, theatre performances, distribution of business awards, art or photograph exhibitions, or celebrating successful business deals at the City Hall. On the other side, the city businessmen often grasp the opportunities offered by the trade fair's scenery, together with all its economic deals, to enhance hotels, pubs, taxis, and restaurant revenues, perhaps creating new job opportunities.

In Bologna, one theatre is located in the fair area, it is used as a conference hall during the exhibition periods and for other entertainments outside the exhibition periods as well.

Several conferences are organized simultaneously with exhibitions in the high quality and central hotels, where dinners or fashion shows are also presented.

Diversification is the last brainstorming process in this business world. It originates from the increasing expenses of exhibition organization and the costs of spaces, in addition to the increasing competition among exhibitors. As a consequence, new promotions are performed in different spaces, times and modalities.

One of the most impressive activities has been the fashion show of hair couture, followed by a reception in high style, carried out in an old factory, which is already considered an industrial archeological sample, near the "Fiera" official area. The space is so large that it enabled exhibitors to organize a fashion show, with top model instruction, dinner setting, dinner service, and, in addition, an after dinner party with dancing and music, all in the same building.

Another new idea - in our opinion a little bit expensive - has been the project finalized to rent some spaces in the city centre, in order to expand both the area and the image of some enterprises present at the trade shows.

All this can be better explained through three examples. The idea has been originated during the ceramic tile exhibition, one of the most important among Bologna trade fairs.

The first example is of an enterprise which invited their clients to a central restaurant from 8 to 10 p.m. This time schedule was chosen in order to satisfy two necessities: first, offer a dinner to the fair visitors, and secondly to let the restaurant be free for usual clients (in Italy, it is considered trendy for VIPs to go to restaurants and pubs very late at night, after 10 p.m. for example). The firm's clients were not only offered dinner and beverages, alcoholic and non-alcoholic, but in addition to that, they had the opportunity to enjoy some wellness and entertainment proposals (such as shiatsu massages, tattoo, music, video commercials and so on) in order to relax after a business day.

The second enterprise rented a famous pub for days and nights where tiles were exposed together with video conferences. The atmosphere was in Japanese style and Japanese food was offered, because a line of oriental ceramics was on stage. The most expensive aspect of this arrangement was organizing transport to the venue: the exhibitors offered a free shuttle service for executives from the fair zone to the city and vice versa (the Fiera is two miles away from the city centre). This event was held during the trade fair working hours which made it useful to organize a shuttle service for the fair's attendees.

Meanwhile the company quoted above did not organize shuttle services because the time of the event occurred after the exhibition hours.

The third experiment was carried out in the dismissed facilities of the National Railways Company and produced very good results; because this space has been considered a duplication of the Fiera, due to the short distance from its premises, just three blocks away. These spaces will likely be used again, because they meet several standards: they are free, they are retired buildings - cheap and big at the same time - and they are located both near the city and the Fiera, precisely in between. They have the advantage of being very large, surrounded by gardens, terraces and courts, which is helpful because large areas are required for furniture, marbles or wood product shows. On these occasions, music orchestra performances, dancing, free buffets have been organized, and wonderful product displays, in arrangements designed by artists or architects, have been presented.

Finally, it should be remembered that some exhibition stalls are set up by artists very able in highlighting the best aspect of the products and impressing visitors both with the colorful images and logos of the manufactured items and the most representative images of the enterprise itself.

Conclusions

This work tries to demonstrate that different aspects of tourism exist; one of them is culinary tourism, but this enacts itself in several ways, the richest of which is represented by banquets, conference buffets, and official dinners. According to this development, business and culinary tourism are merging into one another, and together they can be considered expressions of cultural tourism. Only in this way will tourism promote visits to the city of Bologna, which is not, as of now, characterized by mass tourism, even if it is rich in monuments and located among the most important cultural cities in Italy.

Bologna's perception is shaped both by culture and market, which gives rise to business fluxes, but together they can offer opportunities for community, which can be considered one face of culture, in the sense that it provides socialization and getting to know each others.

Food is, as ever, a tool of connecting people, according to the popular expression: "where there is food , people come", but classic healthy food is, in a certain sense, a rediscovery of traditions and consumer values, and it represents today a new connotation of business and cultural relationships.

Banquets are organized after and during conferences or trade fairs; they are particularly amusing and could become an attracting argument for commercial advertisements too.

Even if businessmen usually do not attend meetings and symposia for the purpose of conviviality and taste, no one can deny that the moments of eating together are the most delightful moments, able to take part in leisure and relaxation in business concerns.

Exhibition centers offer many opportunities to several cities to promote tourist attractions, as parallel events to attract more visitors to the city's area.

Bologna offers an effective example of interlocked events, eventually related to the convention centre, but it should even more highlight and relate its famous culinary traditions in all the events in order to effectively entice visitors.

References

AGRA (2004). Catering in Europe, Yearbook. ROMA.

AGRA (2004). Industria Alimentare in Europa. Yearbook. ROMA.

BARBERO. G., (2004). Exhibition Feeding on Art. Bolognafiere: Leaflet.

BARTHES. R. (1970). Pour une psycho-sociologie de l'alimentation contemporaine, in HÉMARDINQUER, J. J. (ed.). Pour une histoire de l'alimentation, Paris: Colin, pp. 307-315.

BERNS. D. (2001 April). Mandalay Bay: Casino to add Convention Space. Las Vegas. Review Journal. 1D.

BOLOGNAFIERE, (several years). Annual Report. Bologna: Bolognafiere S.p.A.

BOLOGNAFIERE (several years). Trade Fairs Calendar. Bologna: Bolognafiere S.p.A, (several years).

BONINI, A., DALL'ARA G. (1993) Fiere e workshop turistici. Milano: F. Angeli.

CAGNONI. L., (2005). Rimini Fiera: un fenomeno in crescita. In QN Fiere, Supplement of Il Resto del Carlino, February 5th, 9.

CARLSEN, J. (2004). Issue in Dedicated Convention Center Development with a Case Study of the Perth Convention and Exhibition Center. Western Australia. In NELSON R.R. (Ed.). Current Issues in Convention and Exhibition Facility Development (pp. 45-62). New York: Haworth Press.

CLARK, J.D. (2004). Considering a Convention Center: Ten Questions Communities will confront. In NELSON R.R. (Ed.), Current Issues in Convention and Exhibition Facility Development (pp. 5-22). New York: Haworth Press.

CORNIER SALEM M.C. (2004). "Products of terroir" and biodiversity conservation. In IGU-AGEI. VIII Seminar on Medical Geography - Alimentation Geography (p.12). Roma, 16-18 December: University La Sapienza, Abstract, Pre-print,.

DALLARI, F. and ALBRIZIO A. (1995). Servizi alle imprese: il caso del centro fieristico bolognese. In DINI F. and TINACCI MOSSELLO M. (Eds.), Geografia dell'industria: sistemi locali e processi globali (pp. 24-31). Torino: Giappichelli.

FENICH, G.G. and HASHIMOTO, K. (2004). Casinos and Conventions: Strange bedfellows. In NELSON R.R.(Ed.). Current Issues in Convention and Exhibition Facility Development (pp. 63-80). New York: Haworth Press.

FERRARI. P. (2005). Fiera Milano: le mosse vincenti per essere leader. In QN Fiere, Supplement of Il Resto del Carlino, February 5th ,5.

FERRIANI. S. (2004). Dinamiche competitive e fattori critici di successo nel settore fieristico. Bologna: CLUEB.

GASPARINI, M.L. (2004). Wine. culture, diet and health, in IGU-AGEI, VIII Seminar on Medical Geography - Alimentation Geography (p.2-4) Roma, 16-18 December 2004: University La Sapienza, Abstract Pre-print.

GRASSO. M. (1997). Le imprese di viaggio. Milano: F. Angeli, 1997.

LASLO, D.H. and JUDD, D.R. (2004). Convention Centers wars and the decline of local democracy. In NELSON R.R.(Ed.). Current Issues in Convention and Exhibition Facility Development (pp. 81-98). New York: Haworth Press.

LIVINGSTONE, J.M. (1989). The Iinternationalisation of Business, London: MacMillan.

LUCCARINI. D. (2005). L'evolversi della comunicazione. In QN Fiere, Supplement of Il Resto del Carlino. February 5th ,21.

MASTROBUONO. L. (2005). Privatizzare conviene. In QN Fiere, Supplement of Il Resto del Carlino. February 5th ,7.

McNEILL. R.G. and EVANS. R.A. (2004). So you want to build a Convention Center: The Case of Hope versus Reality. In NELSON R.R. (Ed.). Current Issues in Convention and Exhibition Facility Development (pp.23-44). New York: Haworth Press..

MONTANARI. M. (2004). Il cibo come cultura. Roma-Bari. Laterza.

PASTORE. R. (2002). Il marketing del vino e del territorio: istruzioni per l'uso. Milano: F. Angeli.

PETERSEN. D.C. (2004). The city as a destination: Measuring its attractiveness. In NELSON R.R. (Ed.). Current Issues in Convention and Exhibition Facility Development (pp. 145-158). New York: Haworth Press,.

PRONI, P. (2005). Il mestiere di fare fiere. In QN Fiere, Supplement of "Il Resto del Carlino", February 5th , 14.

RUBALCABA. B. (1994). Fairs and Exibitions in the in European Econom.: growth. employment and competitiveness. Brussels: European Commission, DGIII-Industry.
RUBALCABA. B. (1999). Business Services in European Industry: Growth, Eemployment and Competitiveness. Brussels: European Commission. DGIII-Industry.
SANDERS, H. T. (2004). Convention Mythology. In NELSON R.R. (Ed.), Current Issues in Convention and Exhibition Facility Development (pp. 99-144). New York: Haworth Press.
SCHOLLIER. P. (Ed.). (2001). Food, drink and identity. Cooking, eating and drinking in Europe since the Middle Ages. Oxford, New York: Berg.
SCOPPOLA, M. (2004). Le multinazionali alimentari, Roma: Carrocci.
SHARLAND, A. and BALOGH P. (1996). The Value of Non-Selling Activities at International Trade Thow, Industrial Marketing Management, 25 (1).
SHERINGHAUS, R. (1998). Understanding Behavioural Aspects of Participating in International Trade Fairs, Proceedings of the Academy of International Business, 25th Annual Conference, London.
SHURE, P. (1996 a March). The Future of Meetings. Convene, XI (2), 35-50.
SHURE, P. (1996 b March). Our Increasing Reliance on Technology Will Remind us What Being Human is All About. Convene. XI (2), 61-77.
SILVER. S.D. (2000). Consuming Knowledge. Boston: Kluwer Academic Pub.
SIRI. G., (2001). La psiche del consumo. Milano: F. Angeli.
TODISCO. G. (2002). Editorial. T&G Year V (Sept.- Oct.), 1.
ZAMAGNI. V. (ed). (2002). CAMST: ristorazione e socialità. Bologna: Il Mulino.
http://www.bolognafiere.it

Notes :

[1] Also a new helicopter platform and a toy train inside the village, connecting different parts along the fair space, shouldn't be forgotten.
[2] The city of Bologna has only 84 hotels with 9.039 beds. Its province offers 342 hotels with 22,765 beds.
[3] 1,300,00 in 2003
[4] The leather exhibition has involved in 2004, exhibitors from 120 countries.
[5] Wellness activities entertainment were offered because the enterprise is producing facilities for spas.

About the Author

Adriana Galvani is professor in Human Geography at the chair of Economic Geography at the University of Bologna (Italy), teaching Sociology of Tourism. She has been EU expert evaluator for the 5th Program (Cities of Tomorrow) and she is now expert evaluator in agriculture for the 6th FP. She is also expert evaluator for INTAS (International Association for the promotion of co-operation with scientists from the New Independent States of the former Soviet Union (NIS)). She is member of European Group on Life Sciences about two arguments: "Towards Sustainable Agriculture for Developing Countries: Options from Life Sciences and Biotechnologies" and "Modern Biology and Visions of Humanities".She is responsible of the theme: Sustainable Tourism in the EU - DG Region based Network: European Regional Network on Sustainable Development.

JOURNAL OF H&T
www.johat.com

An Analysis of the Equity Valuation Literature as Applied to the Lodging Industry

Arun Upneja
The Pennsylvania State University
School of Hospitality Management, USA
Seoki Lee
The Pennsylvania State University
School of Hospitality Management, USA
Michael C. Dalbor
University of Nevada Las Vegas
William F. Harrah College of Hotel Administration, USA

Abstract : Very little research has been conducted regarding hospitality equity valuation. In this paper we compare three traditional models used in the empirical finance literature: dividend discount, residual income and discounted free cash flows. Research by Lundholm and O'Keefe (2001) shows that all the models will yield an identical valuation. However, others (Penman and Sougiannis, 1998; Francis, Olsson and Oswald, 2000) found differences in the model. This is most recently claimed by Penman (2001). We apply the three models to Hilton stock and find convergence between discounted dividends and residual income, but not discounted cash flows. We suspect this is because of the short horizon of our analysis and the limitations of our data source.

Key words : Lodging industry, Equity valuation, Forecast

Introduction

There are no studies that have systematically attempted to evaluate equity valuation models in the lodging industry. Most academic papers in the mainstream finance and accounting literature either exclude hospitality firms or do not examine it in detail. For example, it is very common to find academic papers that exclude all service sector firms. The lodging sector has many characteristics that differentiate it from other economic sectors in the US. For example, the lodging industry is very capital intensive; however, the performance is heavily dependent upon the quality of the service interaction with the customers. Therefore, we cannot directly conclude that the results of research that has excluded lodging firms can be extended to lodging firms. On the other hand, the same pitfalls that can cause a lack of convergence between the three models in the economic literature may also be present here with our lodging example.

The three equity valuation models used in academic research are the discounted dividend model, residual income model, and the free cash flow valuation model. Many researchers have used these models to generate valuation for publicly traded firms, for example, Francis, Olsson and Oswald (2000) and Penman and Sougiannis (1998). The Francis et al. (2000) paper attempts to compare the relative accuracy, consistency and explainability of three kinds of models. However, Lundholm and O'Keefe (2001) show that if properly implemented all valuation models should converge to the same estimate of equity value. The main source of controversy between these researchers is the time horizon over which the valuation forecasts are made. If the horizon is assumed to be infinite, all valuation models will converge and if the horizon is assumed to be finite, different valuations will emerge from the models.

The main purposes of this paper are to explore the three major valuation models developed in the mainstream accounting and finance literature, operationalize them for the lodging industry, systematically examine and operationalize the assumptions needed for each model, and finally outline the major avenues of research in the area of valuation methods and models for the hospitality sector.

We describe and operationalize the dividend discount model and the residual income model in the paper and include a discussion on the discounted free cash flow model in the appendix. The data used in this paper is the financial data from Hilton Corporation, as reported by Value line in 2003 and is shown in table 1.

Hilton 2003 Value Line Forecasts

	2003	2004	2005	2006	2007	2008
SE(t-1)	5.46	5.73	6.1	6.77	7.74	8.71
NI(t)	0.35	0.45	0.75	1.05	1.05	1.05
D(t)	0.08	0.08	0.08	0.08	0.08	0.08
SE(t)	5.73	6.1	6.77	7.74	8.71	9.68
RI(t)	-0.196	-0.123	0.14	0.373	0.276	0.179

r_e = 10% (Cost of Equity)

g = 4% (Growth Rate)

The beginning stockholders equity for 2003 is the starting point and is the actual amount from the financial statements. Forecasted net income is shown in the second row and is forecasted to 2008. Dividends are assumed to be constant by Value line at $0.08 per share.

These two valuation models make use of a "clean surplus". Clean surplus involves using net income minus dividends to calculate stockholder's equity. This is different than using earnings. While earnings include non-recurring charges, net income does not.

The stockholders equity can now be calculated by the clean surplus relation: Net Income plus the beginning value of equity less the dividends. Finally the residual income is calculated as the Net Income less the normal return, which is calculated as the beginning value of equity multiplied by the cost of equity (we assume a rate of 10 percent).

Literature Review

A "horse race" between the different equity valuation models began in late nineties. Penman and Sougiannis (1998) investigate three different equity valuation models - dividend, free cash flow, and residual income models - to examine superiority in terms of valuation errors. To compute ex ante forecasting figures, they use portfolios utilizing ex post realized financial data instead of forecasted financial data. They particularly focus "on a practical issue: dividend, cash flow, and earnings approaches are equivalent when the respective payoffs are predicted to infinity, but in practice, forecasts are made over finite horizons" (346). They, therefore, explore different magnitudes of valuation errors of three equity valuation models forecasting over one-, two-, five-, eight-year finite horizons. They conclude that the residual income model which employs accrual accounting numbers generates better forecasting numerals with lower valuation errors than the cash flow methods - dividend and free cash flow models.

Instead of using portfolios as Penman and Sougiannis (1998) do, Francis et al. (2000) use forecasting figures for five years provided by Value Line to investigate superiority of three different equity valuation models in terms of accuracy (defined as the absolute price scaled difference between the value estimate and the current security price) and explainability (defined as the ability of value estimates to explain cross-sectional variation in current security prices). They also use growth rate of either zero or four percent after five year period. They state their main objective as "to present a pragmatic exercise comparing the reliability of these value estimates, recognizing that the forecasts underlying them may be inconsistent" (46). They conclude that the residual income model estimates are more accurate and explain more of the variation in security prices than do dividend and free cash flow models.

Courteau et al. (2000) study the equivalence of the different equity valuation models by replacing the arbitrary growth rate approach used in valuation models by Francis et al. (2000) with a price-based terminal value calculation provided by Value Line. They state that their research objective as "to explore whether, over a five-year valuation horizon, DDM (Discounted Dividend Model), DCF (Discounted Cash Flow Model) and RIM (Residual Income Model) are empirically equivalent using Penman's (1998) theoretically "ideal" terminal value expressions in each model" (2). They find that the three models yield similar estimates. They further explore and conclude that the quality of forecasting estimates is better with using Value Line provided terminal stock price forecasts than arbitrary growth rate (zero or two percent) approach. Also, they replicate the same results of Francis et al. (2000) that residual income model is superior to cash flow models - dividend and free cash flow models.

The general consensus of the existing literature on equity valuation models is that the residual income model is considered to be a better model than the two cash flow models. Lundholm and O'Keefe (2001a), however, criticize some of the previous research for inconsistencies in their computations incorporated into the models. They claim equivalence between all three equity valuation models and state that this is consistent with the theoretical background.

Lundholm and O'Keefe (2001a) have two main purposes. First, they dispute the notion that the residual income model is superior to cash flow models. They argue that the three equity valuation models should be equivalent because they emanate from the same theoretical background. The second purpose is to identify incorrect practices in the application of the models. They spot three specific inconsistencies that analysts and researchers often mistakenly make in operating equity valuation models. The three inconsistencies described in the study are the inconsistent forecasts error, the incorrect discount rate error, and the missing cash flow error.

The inconsistent forecasts error happens due to incorrect computation practices when the perpetuity of valuation is calculated. In particular, the authors demonstrate that most previous research uses (1 + g) times the last residual income or cash flow in the finite forecasting period as a starting value for the perpetuity computation, where g is the terminal growth rate, and this value is mostly not the correct one. This incongruence is shown in equation 1.

Equation (1): $D_T \neq D_{T-1} * (1+g)$ and $RI_T \neq RI_{T-1} * (1+g)$

The incorrect discount rate error occurs when the free cash flow model is employed. The most common way to apply the free cash flow model is to value the whole firm using the weighted-average cost of capital and subtract from it the value of the debt. In the process of the computation, "the appropriate discount rate is only a weighted average of the cost of equity and the cost of debt under certain conditions, and even then, the weights are not arbitrary. Failure to meet these conditions results in a discount rate that is inconsistent with the basic dividend discounting model, causing differences in the estimated value of the cash flow model and the residual income model" (316).

The last inconsistency, the missing cash flow error, is caused by violation of the clean surplus relation in the financial statement forecasts provided by service providers such as Value Line. As discussed previously, the clean surplus relation involves the use of net income, not earnings, to calculate the new shareholders equity. This is shown in equation (2).

Equation (2): $SE_t = SE_{t-1} + NI_t - D_t$

Penman (2001) argues against Lundholm and O'Keefe (2001a), primarily with the notion of finite horizon time period in forecasting equity value. He shows an example of a savings account with full payout and no payout situations to demonstrate that in finite setting which is considered to be more practical, different valuation models actually generate different forecast estimates. The paper concludes that even though the author agrees with some points made by Lundholm and O'Keefe (2001a), it still believes that "the empirical papers dismissed by Lundholm and O'Keefe provide evidence that GAAP accrual accounting has advantages over cash accounting" (691).

Lundholm and O'Keefe (2001b) respond to Penman (2001) by reasserting their claims about the existing literature and the errors that cause inconsistencies between the results of the equity valuation models. The paper uses the same example by Penman (2001) of a savings account to show that if all steps are taken correctly as they allege, three different equity valuation models produce the exactly same forecast estimates. They attempt to explain Penman's criticism of their original paper by concluding that "we believe that good accounting has a substantial role to play. A more accurate statement would be that we are cynical about the ability of algebra to create new information" (696).

The models

Dividend Discount Model

The theory behind the dividend discount model is that dividends are the cash flows that accrue to the stockholders, hence dividends should be priced. Therefore under this approach the theoretical market value of equity should equal the present value of all future expected dividends.

As shown in the formula below, the future stream of expected dividends are discounted by the cost of equity capital. Dividends are forecasted to some year n and then a perpetual growth rate g is assumed. This is shown in equation (3).

$$P_e = \sum_{t=1}^{T} \frac{D_t}{(1+r_e)^t} + \frac{D_{T+1}}{(r_e - g)(1+r_e)^T}$$

Where:

P_e = Value of the equity holders' claim at time 0

$D_t = NI_t - \Delta SE_t$

NI_t = Net income for the period ending at time t; $NI_t = OI_t - I_t$.

SE_t = Shareholders' equity at time t; $OA_t - L_t = SE_t$.

OI_t = Operating income for the period ending at time *t*, net of tax.

OA_t = Operating asset balance at time *t*.

L_t = Liability balance at time t.

I_t = Interest expense for the period ending at time t, net of tax.

r_e = Cost of equity capital.

g = perpetual growth rate after the forecasting period.

Based on the data for Hilton given in table 1, the dividend discount model is operationalized below. We use the Value Line estimates that dividends will be constant for the next six years. However, in the seventh year, as pointed out by Lundholm and O'Keefe (2001a), the starting value of the dividends is found by subtracting the change in the stockholders equity between years six and seven from the net income in year seven. The reason for taking this approach is because dividends are usually decided by the board of directors and generally remain immune to the normal fluctuations in the earnings of the firm. If the dividends were either always equal to the earnings or a fraction of earnings, we would not have to artificially start the perpetual growth phase by using the change in the stockholders equity. The error committed by previous researchers is to calculate the dividends in year 7 (start of the perpetual growth phase) by taking the dividend in year 6 and multiplying by the growth rate. Using the dividend discount model, the current value of Hilton hotels is $6.98 as shown in equation (4).

$$P_e = 5.46 + \frac{-0.196}{(1+0.1)^1} + \frac{-0.123}{(1+0.1)^2} + \frac{0.14}{(1+0.1)^3} + \frac{0.373}{(1+0.1)^4} + \frac{0.276}{(1+0.1)^5} + \frac{0.179}{(1+0.1)^6} + \frac{0.124}{(0.1-0.04)\times(1+0.1)^6}$$

$$P_e = 6.979108$$

$$P_e = \frac{0.08}{(1+0.1)^1} + \frac{0.08}{(1+0.1)^2} + \frac{0.08}{(1+0.1)^3} + \frac{0.08}{(1+0.1)^4} + \frac{0.08}{(1+0.1)^5} + \frac{0.08}{(1+0.1)^6} + \frac{0.7048}{(0.1-0.04)\times(1+0.1)^6}$$

$$P_e = 6.979108$$

$$SE_7 = SE_6 \times 1.04 = 9.68 \times 1.04 = 10.0672$$

$NI_7 = NI_6 \times 1.04 = 1.05 \times 1.04 = 1.092$

$D_7 = NI_7 - (SE_7 - SE_6) = 1.092 - (10.0672 - 9.68) = 0.7048$

Residual Income Valuation Model

The residual income valuation model assumes an accounting identity to express equity values as a function of book values and residual incomes. The theoretical market value of equity is the starting value of stockholders equity plus the present value of the future stream of residual income, discounted by the cost of equity capital. The concept of residual income is the income that is earned on the stockholders equity that is above what is expected, given the level of risk in the firm's operations and capital structure. This is shown in equation (5).

$$P_e = SE_0 + \sum_{t=1}^{T} \frac{RI_t}{(1+r_e)^t} + \frac{RI_{T+1}}{(r_e - g)(1+r_e)^T} \qquad (5)$$

Where

P_e = Value of the equityholders' claim at time 0

SE_t = Shareholders' equity at time t; $OA_t - L_t = SE_t$.

RI_t = Residual income for the period ending at time t; $RI_t = NI_t - r_e SE_{t-1}$.

r_e = Cost of equity capital.

NI_t = Net income for the period ending at time t; $NI_t = OI_t - I_t$.

OI_t = Operating income for the period ending at time t, net of tax.

OA_t = Operating asset balance at time t.

L_t = Liability balance at time t.

I_t = Interest expense for the period ending at time t, net of tax.

g = perpetual growth rate after the forecasting period.

As shown in equation five, the value of the firm's equity at time t, equals the stockholders equity at time t-1 plus the present value of all future residual incomes, discounted using the equity cost of capital. We include numbers in equation five below.

$RI_t = NI_t - r_e SE_{t-1}$

$NI_7 = NI_6 \times 1.04 = 1.05 \times 1.04 = 1.092$

$RI_t = NI_t - r_e SE_{t-1} = 1.092 - 0.1 \times 9.68 = 0.124$

$RI_7 = RI_6 \times 1.04 = 0.179 \times 1.04 = 0.18616$

If we multiply the growth rate RI_6 to RI_7 to get (like several previous researchers have done), we would get,

which is not equal to 0.124.

Conclusions and suggestions for future research

Using data for Hilton Hotels Corporation from Value Line, this paper showed convergence between two of the three major equity valuation models. More importantly, this convergence was achieved within a relatively limited timeframe (seven years), implying that the theoretical convergence of the different models works in the short time frame as well. Nevertheless, as noted in previous research, more attention should be given to the inputs of each model. Improvement in the quality of inputs may potentially lead to a big improvement in our ability to properly value lodging firms. The primary variables that affect our valuation are earnings per share, retained earnings and the growth rate.

Unfortunately, our discounted free cash flow model was not consistent with the other two models as discussed in the appendix. However, we believe that this is primarily due to the definition of free cash flow in the literature may be quite different from that used by our data source. Moreover, even if free cash flow were reported consistently by Value Line, the shortened timeframe may have an influence on convergence, if a different methodology was used to generate the free cash flows (as opposed to dividends and residual earnings. Therefore, we cannot state with confidence that our research confirms the finding of Penman and Sougiannis (1998) that shows discounted cash flow models to be less accurate.

We are assuming that the cost of equity, consistent with prior research, is consistent over time. This topic is beyond the scope of this paper. However, there is scope for a stream of literature that discusses the factors that influence the equity cost of capital and how to predict it, such that the dynamic estimates can be used in the valuation models.

The current practice by academic researchers is to use analyst forecasted growth rates for the near future (three to five years) and then use arbitrary perpetual growth rates. Assuming that the consensus analyst forecast for the near term is the best available forecast, estimation of the perpetual growth rates is another fruitful area of research.

References

Courteau, L., J. Kao and G. Richardson. The Equivalence of dividend, cash flows and residual earnings approaches to equity valuation employing ideal terminal value expression. Working paper, Universite Laval.

Fernandez. 2003. Equivalence of Ten Different Methods for Valuing Companies by Cash Flow Discounting. Working paper, IESE Business School, University of Navarra. As posted on ssrn.com.

Francis, Jennifer; Olsson, Per; and Oswald, Dennis. "Comparing the Accuracy and Explainability of Dividend, Free Cash Flow, and Abnormal Earnings Equity Value Estimates." Journal of Accounting Research (Spring 2000): 45-70.

Lundholm, R., and O'Keefe, T. 2001a. Reconciling Value Estimates from the Discounted Cash Flow Model and the Residual Income Model. Contemporary Accounting Research Vol 18, No. 2. pp 311-35.

Lundholm, R., and T. O'Keefe. 2001b. On comparing cash flow and accrual accounting models for use in equity valuation: A response to Penman 2001 (CAR, Winter 2001). Contemporary Accounting Research 18 (4): 693-96

Penman, S. H. 2001. On comparing cash flow and accrual accounting models for use in equity valuation: A response to Lundholm and O'Keefe (CAR, Summer 2001). Contemporary Accounting Research 18 (4): 681-92

Penman, S.H., and Sougiannis, T., (1998). A Comparison of Dividend, Cash Flow, and Earnings Approaches to Equity Valuation. Contemporary Accounting Research Vol 15 No. 3. pp 343-383.

Note:

[1] The valuation is as of October 2003, when we collected the data from Value Line.

About the Author :

Arun Upneja is Associate Professor in The Pennsylvania State University
School of Hospitality Management, USA
Seoki Lee is Faculty Member in The Pennsylvania State University
School of Hospitality Management, USA
Michael C. Dalbor is Faculty Member in The University of Nevada Las Vegas, William F. Harrah College of Hotel Administration, USA

Appendix

Discounted Cash Flow Model

The theory behind this model is that investors place a high value on cash. Vendors, employees dividends are all paid with cash. Cash is the lifeblood of the business. Therefore, investors really don't care about accrual-based earnings. Accordingly, we use the definition of free cash flow as shown in Francis, Olsson and Oswald (2000):

Free Cash Flow= (Revenue - Operating Expense - Depreciation) x (1 - tax rate) + Depreciation + Change in Working Capital - Capital Expenditures

What is important to note here with this definition is the significant reliance upon balance sheet and/or capital budget items. Although changes in current balance sheet accounts affect earnings and net income, often these items will have a very modest net effect. With this model, there could be significant changes in working capital or a significant number of capital expenditures made with cash. This has particular important for the lodging industry, which is very fixed-assest intensive and makes significant investments in capital expenditures.

Value Line does make forecasts of capital expenditures by share. This is a line item that would typically be very difficult to forecast. Additionally, the forecasters at Value Line estimate annual depreciation expense, but not on a per share basis. Therefore, one must also be able to accurately forecast the number of common shares outstanding.

We have provided in the table below what Value Line estimates for "cash flow" are on a per share basis for Hilton in the years 2003-2005. Below that, we have provided our estimates of "free cash flow" based upon net income per share, depreciation expense and capital expenditures. It should be noted that we have not included changes in working capital as that information is not available from Value Line.

	2003	2004	2005
"Cash Flow" per share	$1.29	$1.45	$1.70
Free Cash Flow per share	$.69	$.77	$.86

As shown in the table the figures for each of the three years are quite different. More importantly, are also different from the dividends received or the residual income figures. Accordingly, we believe that the limitations of the data and the limited forecasting period make significant contributions to the lack of convergence between the models.

Proactive Versus Reactive Security Strategies in Hotels

Diane Mead Niblo
School of Health Sciences,
RMIT University, Australia
Mervyn S. Jackson
School of Health Sciences,
RMIT University, Australia

Abstract : The aim of this paper is to explore the interplay of proactive and reactive security systems within the hotel industry. Proactive security systems that are investigated include: check-in procedures, skippers, cash floats, theft by guests and employees, and the hotel's role in protecting guests. Reactive procedures are described and they include: scams, locker searches, policing roles, and the management of transient populations. Finally a mixture of proactive and reactive security procedures is discussed. These include: parcel pass, surveillance and technology, and surveillance of guests. This qualitative research has shown that hotel security is a complicated mix of private interests and the public use of space.

Key Words: Management, Proactive security, reactive security, Guest security

Introduction

The purpose of the paper is to examine within the management of hotels the interplay between proactive security strategies (concerned with prevention of loss), and reactive security strategies (which are organised around a problem that has already occurred). The appropriateness of proactive versus reactive strategies is explored as hotels attempt to prevent crime and react to problems of security as they occur. Seven international hotels' security were analysed using the long, semi-structured interview technique. The people interviewed were either security managers or duty managers responsible for the hotels' security. These hotels are all located in a capital city in Australia. Most of the literature regarding proactive and reactive strategies in the corporate world relate to computer security. Little has been written about hotel security and the issues concerned with prevention of crime or reacting to crime. Hotels, like other private businesses are primarily concerned with the prevention of loss through crime within their own domain. However, they must also be aware of legal risks. Although hotels are privately owned, they are also public places in which individuals are invited to patronize and consume services. These concerns make the application of preventative and reactive strategies more complex. Overall, it seems clear that a major rationale for security derives from the expectation that it will serve the ends of protecting hotel property.

Shearing and Stenning (1983) argue:

> Corporate policing, as one would expect, is directed at the protection of corporate interests. More specifically, it is concerned with what happens on, and in relation to, corporate property (Shearing and Stenning, 1983:21).

Shearing and Stenning go on to point out that private security is more concerned with loss than with crime. 'Indeed, what the use of the term "loss" in preference to "crime" does is to define as a security matter anything that erodes corporate profits' (Shearing and Stenning 1983:33). Bates (1989) elaborates further:

> Many public sector and experienced security professionals know that financial and labor resources directed at the prevention of crime are more cost-effective than those resources used to apprehend, prosecute, and recover stolen property (assuming that it is a recoverable loss). Furthermore, it makes good business sense to avoid losses rather than waste corporate assets trying to recover after the fact (Bates, 1989:522).

How hotels go about this, and particularly how they mix proactive and reactive procedures, is the focus of the paper.

The need for proactive control, according to Shearing and Stenning has a fundamental impact on the shape and form of private security:

> ... its primary concern is preventing loss. That is, private security is concerned above all with loss prevention. In consequence, their approach to security problems tends to be rather different from that of the public police, whose primary concerns have traditionally been apprehension and prosecution....In contrast, for private security the primary, and often the only, concern is prevention... where a loss has occurred, private security will generally be much more concerned with preventing future losses than with identifying the offender(s) (Shearing and Stenning, 1983:33).

Shearing and Stenning's research has been mainly in the retail industry. They argued that private security was more like policing; hence refer to private security, as private police when in fact this research argues that security in hotels little in common with the public police. Clearly, private security does not administer justice or engage in law enforcement work. Hotels are concerned with crime. What the present data suggest is that there is a broad band of criminal activity that is of concern to hotel security precisely because it is not a concern to the public police. Public police have turned their attention to serious crime and tend to ignore crime, which they see as trivial. In hotels there are many such activities, which fall within the broad category of 'mundane' crime. Gibbons describes mundane crime as the "...low visibility, and often relatively innocuous instances of lawbreaking that make up a generous portion of the crime problem in modern societies" (Gibbons, 1983:212-14). Individually such thefts are trivial and public police are not likely to spend resources on the apprehension of a hotel bar person taking a bottle of scotch or a member of the housecleaning staff taking a roll of toilet tissue. As individual crimes the money amounts appear miniscule when compared to crimes such as major fraud. Corporate owners, however, have a different view and may fire a person who is caught stealing (a reactive response) or put more surveillance around the premises (a proactive and reactive response). It is precisely because the public police are not called to these mundane crimes that private security is called upon to deal with these matters in reactive or proactive ways.

Proactive Control

Proactive strategies are those that focus on preventing crime. The proactive strategies that were found in this study related to fraud, theft by guests, theft by employees, and the prevention of hazards, such as fire and injury. The hotel industry applies a number of strategies to try and prevent theft and injury. Large hotels such as the Tea Tree, view security as definitely proactive.

Check-in Procedure

Hotels use a variety of proactive strategies to protect their interests, one of which is found in their check-in procedures. All the hotels in this research used the same procedure when guests arrive. If a payment was to be made by credit card, then an impress was taken and the proactive procedure was to contact the credit card company in order to establish a guest's credit. If a hotel guest was paying by cheque, most hotels had a 'transact function', which guarantees the money to the hotel in the event of a phony transaction. O'Toole, Millen, & Murugason (1994) noted in their study of Fraud against Organisations in Victoria that 39 per cent of those businesses that were recipients of worthless cheques strengthened their internal controls and 32 per cent of those affected indicated that they increased employee awareness training. (O'Toole, et al. 1994:11).

Another procedure that hotels use during check-in requires the guest who is paying in cash to pay at least a night's room payment in advance.

Skippers

Even with proactive procedures in place, those who attempt to leave without paying, 'skippers' can still get through the system. These procedures are set up to minimise the hotels' loss of revenue from people who leave without paying their bill. When asked if skippers were a problem at the Tea Tree the security manager said "Yes, only last week we had a fellow that was going to skip and we caught him before and had him arrested. He'd run up his account and it wasn't brought to security's attention till it was at $5 000 unfortunately".

However, the assistant manager of the Black Wattle said that his hotel did not have much of a problem with skippers.

The senior assistant manager of the Cootamundra said that all hotels worried about skippers but they all shared information if a skipper hit one of them. He said that skippers were the number one problem. Other managers believed that the problem was not a major one.

In short, there is a degree of variation in the perception of the likelihood of guests leaving without settling their accounts. There is no doubt that the ubiquitous use of credit cards to establish instant credit has reduced this problem.

Cash Floats

A proactive strategy to prevent theft of cash by employees relates to the cash float. The cash float constitutes a fixed sum of money for a period to carry out transactions. The knowledge that there is this amount available and that the cash float will be scrutinised, sends a clear message to employees about the surveillance over pools of cash. The amount of the floats and the way they were checked varied from hotel to hotel. The assistant manager of the Black Wattle said they had few discrepancies in that area because the restaurants had cashiers who worked for the accounting department rather than the restaurant and security was better in that regard. Each cashier is assigned a $200 float and they must return that float every night and put it in a safety deposit box for which they alone have a key, apart from security. Every few weeks they are checked to make sure that the readings on the till match the readings on the register. He said there were only ever small discrepancies because their system of keeping dockets was good.

The Black Wattle Hotel has tightened up their food and beverage computer system; it removed cash tills and it is on a computerised system where each and every staff member has an individual plastic key when they perform transactions so that the security personnel can isolate who is doing what in the till. On the weekend the Hotel Snowgum Hotel had a sizeable cash float of $40,000 plus.

The size of the float in the small boutique hotel Cootamundra was $250. Their procedures for checking the float were different.

The duty manager of the Mountain Ash Hotel said that they have to hand over cash to a senior person. The Redgum Hotel was not concerned if their cash floats were over or under and said that it was never huge amounts and said it was probably human error in giving out change.

In short, the size of the hotel is important in terms of the cash float. The amount ranges from $200 to $40 000. In the larger hotels security managers accompany large sums as they are moved from department to department. In the small hotels the procedure is similar but with the assistant managers accompanying the movement of money. The norm is for management to threaten to hold employees accountable for any loss or discrepancy. However, in practice there is a degree of tolerance, especially if it appears to be a small discrepancy based of human error.

Theft by Guests

An area of minor concern to interviewees in this study was theft of hotel property by guests. Theft by guests was not perceived to be a major problem in hotels. Jackson, White & Schmierer, 1994; Fooner, 1971, also found that hotels did not perceive theft by guests as a major problem. This research confirms that finding, although it does appear that hotels did take proactive steps to decrease the likelihood of theft. When the security manager of the Banksia Hotel was asked if theft by guests was a problem he responded that it was not a great problem.

Some hotels take certain proactive measures to ensure guests' continued honesty. Psychological attitudes may seem to have quite a significant impact on the amount of theft by guests, as a proactive measure taken by the Hotel Black Wattle to prevent some types of theft by guests demonstrates. Their guest towels no longer have a Black Wattle emblem on them.

The duty manager of the Mountain Ash had a similar view in that whilst they had their hotel name on towels, they did not keep fancy items around the hotel.

The security manager of the Banksia argued that it was becoming more difficult to steal in hotels because the proactive strategies to prevent theft worked. He said that the old hotel thief working the hotel was virtually gone now because of security patrolling the floors; it is getting harder to steal. The credit card society has reduced people traveling with a lot of cash; they are traveling with traveler's checks and credit cards.

Theft by Employees

Often times the problem of theft is given prominence by people in management and security personnel and they develop proactive strategies to prevent theft by employees (Beyleveld, 1978). Bates (1989) argues: 'Theft, which occurs in a variety of ways, represents the single greatest problem for security in a hotel' (Bates, 1989:527). This research found that there was a difference of opinion of how much theft by employees occurred. Two of the large hotels in this capital city said that theft by employees was a major concern. When the security manager of the Banksia was asked what kinds of problems he had with fraud by employees he answered that employees would take everything that was not nailed down if the hotel did not have a security department. He went on to describe the types and possible reasons for theft. He thought that because there is a high cash turnover employees feel they have a right for instance, to take dressing gowns. Employees who took one did not see it as stealing, in his opinion. Liquor was a major problem if security did not keep a check on it. The security manager said that they constantly found bottles stashed.

The security manager of the Hotel Banksia provided a document entitled 'Security incidents and figures' in which he stated that the total value of cash and/ or goods stolen (as reported to security) was $35,626.

The assistant manager of the Black Wattle agreed with the security manager of the Banksia when asked if there was a problem of theft in his hotel. He said yes: There were very small numbers of theft from guests, but theft by staff is common and theft of hotel property is common from the results of stock takes which indicate a rough figure of $100 000 of silverware that is put into the lost, broken or stolen category per year. Since silverware cannot be broken as such, it is either lost or stolen; the likelihood is that it is stolen.

In the first interview with the assistant manager of the Black Wattle, he estimated the loss of hotel property to be higher. When asked if he could put an estimate on what theft by employees cost he said that they conducted an audit of operating equipment not counting food or beverage, only cutlery, crockery, glassware that were lost, stolen or broken and the total came to about $280 000 for the year. It could be staff, guests or the odd thief coming into the hotel. He said that there was not a big problem with guests taking things but they have had half a dozen staff trapped by police through searches, stealing.

On the surface this figure looks quite large, however when the large hotels have an estimated food and beverage turnover of $40,000,000 a year, without counting income from the rooms division, then Gibbons' (1987) term 'mundane crime' would seem to be an appropriate description. Small thefts multiplied by a large number of incidents can make a more serious problem. Nevertheless, the actual rate of loss appears to be slight especially in comparison with the total financial turnover of these hotels.

Mars (1973), reported that hotel employees' salaries were so low that even bus drivers made more money and they worked 25 percent fewer hours. Staff turnover is high and this may account for further alienation among employees. The security manager of the Tea Tree had a very different view on the issue of theft by employees. When asked 'Do you have problems with fraud by employees?' He said no. He went on to say, in another interview dealing with theft by employees that it was not something that concerned him in this hotel. He was absolutely certain that he was not having any major losses. The duty manager of the Redgum also said that theft by staff was not a problem.

The assistant manager of the Hotel Black Wattle had a different view. A proactive procedure that he mentioned was that of rostering staff. He said they try and move staff around as much as possible so that no group becomes too friendly. This was a measure aimed at blocking possible cooperation in schemes to steal from the hotel. He said there were very few staff who are on permanent shifts.

The assistant manager of the Black Wattle had a problem of staff stealing each other's tip money. In this case, the housemaid's tips from guests were being taken from the guest's rooms.

Theft by employees absorbs a great deal of effort on the part of some security staff. However, the magnitude of this appears to be surprisingly small in comparison to the amount of business done in the hotels.

Protecting Guests

Whilst theft by guests is minimal, the need to protect guests from harm is a prime concern. Sophisticated key systems are now frequently used to protect guests. The key and lock system was seen as a major issue by the hotels Banksia. Snowgum and Redgum.

The four essential elements of modern electronic locking systems, are: automatic re-keying, where automatic key cards are changed after each guest checks out; restricted access, which is a lock that only recognises the guest and approved personnel who have been issued with special entry cards; locks that record employees who have entered a room thus leaving an audit trail; and key integrity, which allows security to 'interrogate' a lock by use of a computer (Smith, 1993:117).

Whilst the electronic locking system is considered the most secure, they too can encounter problems. An example of this was relayed in the Hotel/motel Security and Safety Management Newsletter, (1993) when a husband and wife checked into an hotel operated by a leading chain in the United States. This hotel had the computer locking key card system. A man confronted the couple shortly after their check in who was registered to the same room (Hotel/motel Security and Safety Management Volume 12, Number 1 December 1993:14).

This incident was described to the security manager of the Tea Tree and he was asked if something like that ever happened in his hotel. He responded that it did, all the time. He said it was human error that was responsible.

Another main concern for the more popular hotels is that of protecting the 'star', or special guest. The duty manager of the Redgum said the most stressful time for him was when they had Bonjovi staying with them. Some special guests bring other problems to the hotel. One famous tennis star stayed at the Redgum and after losing a tennis match came back and put a hole through the wall in his room. A popular singer threw a vase at her boyfriend. The general manager of the Redgum at the time was a fan of this tennis star and therefore he was not charged for the damage to the room.

Reactive Procedures

Hotels try and protect themselves through proactive strategies from a variety of problems. However, it is inevitable that problems arise. Things happen in hotels; people get drunk and become disorderly, people steal things and are caught, people die or injure themselves, people attempt suicide, there are bomb threats and hostage situations, as well as domestic violence. In short, any emergency has to be dealt with and security in hotels has procedures with which to deal with these emergencies.

The security/assistant manager of the Snowgum felt that things in his hotel ran smoothly and he would act if he had reason to believe something was wrong. He said that his role was one of reaction.

The Hotel Black Wattle did say that 90% of security was of a reactive nature. Shearing and Stenning (1983) argue that private security is more concerned with loss prevention than with apprehending criminals like the public police do. However, in the hotel industry, some security personnel see their role as being one of reaction more than prevention.

Scams

Whilst actual theft by guests is minimal, there are some scams that guests or members of the public perpetrate on hotels. At times a guest tries to cheat the hotel. If a guest notifies the hotel that they feel something has been taken from their room, the hotels that have security personnel call the security person on duty and the security person tries to check very carefully what happened. The security manager of the Banksia related two incidents where theft by a guest was believed to have occurred. In one such incident the security manager said that he had one incident where a guest claimed that $200 was missing from the room. As the security manager was talking to the guest he noticed that the son had a lump in his sock and he believed that the son stole the money from his parents. He said he had to "let it ride" and that is where diplomacy, becomes involved.

When any theft occurs the most logical person to accuse is the housemaid or houseman because those people have master keys to the room. When asked how security protects staff from false accusations by guests the security manager of the Banksia said that being open minded and many years of experience on the job. Another example op a scam that was described related to businessmen traveling. They oftentimes receive a certain amount of money for expenses. Sometimes the businessman calls security to report $200 missing and the finger is always pointed at the housemaid or the bell cap who fills the minibar or porters. The first thing that this security manager did was to print out the record of calls from the room to see if the guest rang any escort agencies or massage parlours. The guest might have a difficult time explaining to his employer the expenditure of $200-$300 on a girl in their room.

The governing idea appears to be to reassure the guest of the hotel's concern without accepting any blame or responsibility for the incident. Even though management does not want to contact the police over small claims, they nevertheless encourage the guest to report the incident to the police in order to eliminate frivolous claims. At the same time, the management initiates an investigation by asking all possible employees who had access to the room for a statement.

Locker Searches

The procedure of locker searches is influenced by several legal considerations. First, management insists that the employee empty the contents of their locker, thus granting consent for the search. In addition, if the employee empties the locker, security personnel cannot be accused of planting evidence against the employee or of sexual harassment. Second, the need to build a case by establishing more than one witness is apparent. Finally, it should be noted that-once again-every effort is made to resolve the issue without involving the police.

In short, theft by guests is rare. As the consensus on the towels demonstrated, it is rather more trophy hunting than theft and the remedy is simple. By contrast, the theft of guest's property is taken quite seriously. Management feels that this kind of incident can hurt the hotel, given the way that reputations of various establishments pass by word of mouth.

Policing Role

Whilst private security personnel are not public police, private security may take on a policing role by reacting to crime. An incident occurred at the Banksia Hotel that involved Telecom Australia. One of the public phones on the hotel property showed a $7 000.00 account. Since the phone was a public phone and customers must pay for their calls, the hotel was duly concerned. They contacted Telstra Australia and Telstra argued that the phone was the responsibility of the hotel and they would have to pay the account, even if fraud was involved. The security manager of the Banksia checked when the phone calls were being made and to where. The calls were all made to overseas destinations, between 2 AM. and 6 AM. The security manager and his second in charge decided to keep watch on the phone to try and find out how the callers were getting through the system without paying. The two security personnel of the Banksia actually caught the two men who were manipulating the phone. The security manager said that the public police would not have the human resources to release one officer to sit and wait for several hours to catch the offender. Therefore, hotel security agents had to react to the situation and try and catch the perpetrator.

In another incident, security managers at the Banksia reacted to a number of women's purses being stolen from a large public food area owned by the hotel. In this case the security specialists stationed themselves at tables in the food court observing customers. They saw a woman stand close to a table where a handbag was hanging over a chair. The thief quickly removed the purse and went on her way. The private security team of the Hotel Banksia reacted by making a citizen's arrest. These incidents demonstrate the problem of managing large public spaces.

In essence, private security is answerable to the owners of the property they are trying to protect from loss or damage. Because organisations can no longer rely totally on the reactive forces of the public police, in order to protect themselves, they hire private security. Shearing and Stenning state that:

Private security ... seeks to promote corporate interests. As one of the primary, if not the only, objective of any business is the maximisation of profits, it is not surprising that we have found that, typically, private security's most fundamental concern is profit maximisation. Indeed, so central is this objective to the endeavors of private security that it is possible to characterise private security as policing for profit (Shearing and Stenning, 1983:32).

Transient Populations

One of the major issues for hotels is the perception that a transient population or an 'unwanted element' will enter the hotel and either cause damage or offend the acceptable standard of dress that is imposed by the large five and four-star hotels. The security managers had various responses to these perceived threats to security, which would influence to some degree what kind of security measures they would take. The security manager of the Tea Tree said that transient populations are their major security problem.

The smaller boutique hotel, Mountain Ash, believed they had a very good clientele and the reason was that they were not a prestigious five star where all the problems were. The duty manager of the Mountain Ash felt that they could deter what he termed 'riff raff' from staying at the hotel. The duty manager of the Redgum felt that because their license was such that they could only sell alcohol to guests or people having a meal, that deterred 'fools' coming in off the streets. When asked if outsiders posed a threat to the hotel he said no. A manager at the hotel Black Wattle had a different view of his hotel. When asked how many suspicious people they would get in a week he replied about a dozen.

The Mix of Proactive and Reactive Strategies

The authorities in the field have traditionally viewed private security as essentially proactive (Shearing and Stenning, 1983; Smith, 1993; Bates, 1989; Buzby II, 1981; Geason and Wilson, 1989; Crowe, 1991). They have stressed the concern of private security as fundamentally preventing criminal activity from happening. That may be the case in the industries they have studied. However, within the hotel industry, not all of its functions are totally preventative; frequently, it is observed that there is a blending of reactive and proactive functions.

The security manager of the Hotel Banksia provided an incident report document that listed all reported incidents for one year. The list stated that there were Proactive Strategies = 6 485

(53.4% of total)

To examine bag searches in detail, it is clear that what appears to be merely proactive on the surface reveals a combination of proactive and reactive elements on closer examination. In some hotels, employees are regularly required to open their handbags or any other bags they may be carrying, as is seen in the annual security report of the Hotel Banksia. The security manager of the Banksia was asked what steps he took to prevent crime in the hotel or bar. He said that it was mainly a physical presence, patrolling. Even though the bag checks yielded little in terms of stolen property, the fact that the staff know bag searches are being conducted was a preventative measure.

The security manager/assistant manager of the Hotel Snowgum was adamant in his view that bag searches were wrong because management should trust staff. The Hotel Banksia do bag searches on a regular basis. It was observed while conducting an interview with the security manager of the Banksia in the back of house area that as staff approached him to leave the premises, they automatically opened their bag to him.

The security manager of the Tea Tree also would not conduct bag searches on employees. He argued that it was basically against the law to do bag searches. What is in fact contentious is that it is not against the law to request that a person show the contents of his or her bag but security cannot force individuals to open their bags. Sarre (1994) argues the issue of consent, that being if an individual agrees to a bag search then fine. If not then private security has no recourse but to retreat.

The assistant managers of the Redgum and Mountain Ash also said they had a right to do bag searches but as a matter of practice they did not do them. The duty manager said he would only do bag searches if he felt he needed to. However, the duty manager said that they would conduct locker searches and they were surprise searches. The assistant manager of the Black Wattle in 1991 said that they conducted bag searches on a regular basis but they rarely found anything.

These comments show that there is a high degree of variation on the issues relating to bag searches. There is confusion over the law, which some managers believe they have the right to search bags and others think the law prohibits this practice. In a document from the Ministry of Consumer Affairs (undated) it stated in relation to bag searches:

The shop owner is not entitled to force a search. If he does, the consumer may sue him for assault and/or battery, for which substantial damages can be awarded, not only for physical injury, but also in respect of the insult, mental suffering and humiliation that may be caused.

In addition, there is a wide range of difference between those managers who think that bag searches are counter productive in that they make the staff angry and suspicious, thus adversely affecting their performance. In the most important example of this practice, where a major hotel conducts over 700 searches per year, employees are conditioned to present their bags for inspection as they end their shifts.

Parcel Pass

Another combination of reactive and proactive procedures is the use of a 'parcel pass' system, which is used at the Black Wattle. This system is used when employees wish to take some hotel property away from the hotel. They must fill in this form and have it signed by their supervisor. This system was implemented in reaction to a theft of hotel property where an employee said he had permission to take home hotel property, but because nothing was written down, the staff member could not be prosecuted.

When asked what they would do when they caught a thief, the assistant manager of the Black Wattle said that they sent a memo to all staff informing them that a fellow employee was fired because he/she was caught stealing and the matter was turned over to the police.

Surveillance and Technology

Another combination of proactive and reactive measures emerges from the use of surveillance cameras. Cameras can be used to catch a thief and they are also a deterrent. Each hotel had some degree of surveillance, usually by closed circuit television (CCTV). Smith (1993) argues that assuming the hotel has basic security staff in place then 'Purchasing and maintaining a well-designed CCTV system... is generally far less expensive, and far more effective, than hiring one additional officer' (Smith 1993:156). In arguing for surveillance technology, Smith contends that one CCTV monitor is more effective in that the total number of working hours for a camera is 8 760 as compared to the 2 000 hours of a human security person (Smith 1993:156). Smith discusses four uses of CCTV in the hotel industry. The first reason is for surveillance.

The second use of security cameras is for supervision. By that he means that a CCTV with microphone will allow surveillance of staff entering and leaving the premises.

None of the hotels in this study mentioned the idea of monitoring staff in this way. However, the Black Wattle was at the time of interview installing a new staff time clock, which would be hooked up to a computer so that management would know all staff that were on site. It was felt by the assistant manager that this was a good proactive feature. This is also a reactive strategy in that employees sometimes sign on for each other. This scam is known as 'ghosting' in the hotel industry. The new time clock may have been a reaction as well as a prevention of that scam.

The third reason for having CCTV cameras according to Smith is for deterrence. He argues that if cameras are in full view then the prospective offender will be less likely to pass a bad check or commit some other type of fraud if he or she sees a camera at the front desk.

The fourth reason for using CCTV according to Smith is for documentation purposes. This would enable police to use the videotape as evidence in finding and or convicting a criminal. The Mountain Ash was the only hotel that actually mentioned that they taped their surveillance. Smith says, 'Anything worth monitoring is worth recording' (Smith's emphasis, 1993:159).

An observation was made at the Hotel Banksia regarding the cameras in the lift. When the security manager of the Banksia gave a tour of the back of house and the monitor room for the security cameras, he was asked where the monitor was for the cameras in the lifts. He said the cameras were dummies, they did not actually work. He said that they were having problems in the lifts, vandalism and people urinating. The moment they put in the dummy cameras, all of the problems in the lift stopped. The cameras are visible and have a flashing blue light on top. Observations of other hotels in this study revealed that the Mountain Ash also has cameras in the lifts and they said the cameras have the same effect as in the Hotel Banksia.

Surveillance of Guests

The main surveillance of guests would be monitoring them in areas that had cameras for their protection. The Mountain Ash had cameras on guest floors as well as in the lifts and in foyer areas. The Tea Tree and Banksia have both used cameras in guest rooms but only in consultation with law enforcement authorities.

The procedures that hotels use for security tend to be more of a combination of reactive and proactive. The use of cameras, CCTV, bag and locker searches are reactive as well as proactive procedures, depending on the circumstance. When there is a security incident people react to it. The smaller boutique hotels tend to rely more on information being passed to them so they can act. All hotels conducted floor checks and even those floor checks could be seen as reactive as well as proactive.

Conclusion

In their analysis, Shearing and Stenning argue that the shift to private funding of policing services is a reflection of the growing concern of large-scale corporate organisations with the prevention of potential criminal activity. 'Private security tends to be much more concerned with eliminating opportunities for loss than it is with responding to the offender' (Shearing and Stenning, 1988:33). Consistent with that view the activities of security personnel in these hotels indicate involvement in actions, which can be seen as proactive in the prevention of crime. All the hotels in this study had many proactive procedures in place. The check-in procedure-especially the widespread use of credit cards-has vastly reduced the number of people leaving the hotel without paying their account. The use of cameras in lifts, in bar areas and in loading areas has reduced theft. Bag and locker searches are a proactive measure that is used but with much debate as to whether they should be conducted. Floor checks are a way of patrolling and giving staff the impression that they never know when a security person may appear.

The emphasis on prevention is only part of the story that emerges from the accounts of private security in the hotel industry. It is clear for these hotels that proaction is not enough. Hotels expect that there will be a certain amount of theft by employees, and to a much lesser degree, guests. They also expect that the odd intoxicated person will cause problems, or some person who does not fit in with the image that the hotel wishes to portray will enter the premises. A small number of individuals may try to leave without settling their account. In short, in this industry at least effective security requires a mix of proactive and reactive strategies.

References

Bates, N. (1989) 'Hotel security', in L. Fennelly (ed) Handbook of loss prevention and crime prevention. Boston: Butterworth-Heinemann.

Beyleveld, D. (1978) The effectiveness of general deterrence against crime. Cambridge: Cambridge University Press.

Buzby II, W. (1989) 'Basic hotel and motel premises protection', in L. Fennelly (ed) Handbook of loss prevention and crime prevention. Boston: Butterworth-Heinemann.

Crowe, T. (1991) Crime prevention through environmental design. Boston: Butterworth-Heinemann.

Fooner, M. (1971) 'Money and economic factors in crime & delinquency', Criminology 8: 311-31.

Geason, S. & Wilson, P. (1989) Designing out crime. Canberra: Australian Institute of Criminology.

Gibbons, D. (1983) 'Mundane crime', Crime and delinquency 29: 213-227.

-------------- (1987) Society, crime and criminal behavior. Englewood Cliffs: Prentice Hall.

Hotel/Motel: Security and Safety Management. (Port Washington, New York) 1993.

Jackson, M, White, G, & Schmierer, C. (1994), 'Crime and the tourist: Tourist perceived causes and implications for prevention', paper presented at the Second Annual Conference on Crime Prevention: August 18-19, 1994, Griffith University, Brisbane.

Mars, G. (1973) 'Hotel pilferage: A case study in occupational theft', in M. Warner (ed) The sociology of the workplace. London: Allen & Unwin.

O'Toole, K, Millen, N, & Murugason, R. (1994) Fraud against Organisations in Victoria: Summary of findings from a survey of medium and large organisations in 1994. Melbourne: Deakin University Press.

Sarre, R. (1994) 'Challenging suspects: Legal issues', paper presented to the Crime Against Business Conference, 28 February - 2 March, Melbourne, Australian Institute of Criminology.

Shearing, C. & Stenning, P. (1983) 'Private security and its implications: a North American perspective', in A. Rees (ed) Policing and private security. Canberra: Australian Institute of Criminology.

Smith, H. (1993) Hotel security. Springfield: Charles C. Thomas.

About the Author

Diane Mead Niblo earned a PhD from the University of Melbourne, Australia. She is a psychologist with special interests in private security, crime and tourism. She is a senior lecturer and specialises in organisational psychology at RMIT University.

Mervyn Jackson is Program Leader for the Undergraduate Psychology program at RMIT University with interests in triangulation of qualitative and quantitative methodologies, community attitudes toward tourism, cultural influences on tourist decision making, tourist personality and tourist crime victimization.

JOURNAL OF H&T www.johat.com

An Empirical Test of a Full-Service Hotel Room Pricing Model

Emmett Steed
School of Business
Southern Utah University, Utah

Zheng Gu
College of Hotel Administration
University of Nevada, Las Vegas

Abstract : Gu (1997) proposed a hotel room-pricing model for maximizing before-tax profits that considers both costs and market forces. This study tested the Gu (1997) model using the data of eight full-service hotels in Southern California. A negative relationship between rooms sold and room rates was found for most of the hotels with monthly data. The results show that the model is applicable to monthly rather than daily data, due to the nature of monthly rooms sold and ADR being void of major group or event fluctuations. Hotels with ADRs and rooms sold demonstrating negative relationships may use the model to set up ADR guidelines for profit optimization.

Key Words : Room rate, Rooms sold, Variable cost, Profit optimization

Introduction

Pricing is one of the seven Ps (price, product, place, promotion, people, process, and physical evidence) of the services marketing mix tactics, and the only one that directly generates revenue (Kotler, Bowen, and Makens 2006). Product perishability, capacity constraints, guest variability, and day-to-day demand changes cause room pricing decisions to be difficult and frequent. Furthermore, the service industries try to maximize revenue by satisfying demand from various market segments (Bertsimas and Popescu 2003), thus making pricing a more intricate issue. Finding a room pricing strategy that addresses all of the room pricing variables is complex. Individual hotel property management teams generally make pricing decisions, which frequently fall under the Kotler et al. (2006) marketing objective of current profit maximization.

The early cost-based models focused on recovering the initial investment. The market-based models focus on guest perceptions, but tend to ignore variable costs. One model that attempts to consider both costs and market forces is the model proposed by Gu (1997). The purpose of this study was to test the Gu model using real hotel data and to provide useful room pricing applications. Best-fit models that revealed positive pricing opportunities for some of the hotels were developed based on data applications. Suggestions for future room pricing research were also provided.

Brief Review of Room Pricing Models

The traditional hotel cost-based pricing model is known as the $1 per $1,000 approach (Schmidgall 2002). In other words, for every $1,000 in per room capital investment, the price of a room should be increased by $1. Using this approach, a 300-room hotel costing $30 million to construct, or $100,000 per room, should be priced at $100 per room per night. Another frequently used cost-based room pricing model is known as the Hubbart Formula (Arbel & Woods 1991; Coltman 1987). This is an eight-step process that begins with a desired rate of return and adds costs to net income to determine a room price.

Arbel and Woods (1991) emphatically showed the fallacies of these cost-based approaches. Kotler, et al. (2006) supported the work of Arbel and Woods (1991) by noting that one common pricing mistake is to be too cost oriented. Gu (1977) stated that two market factors, fierce competition and extensive market segmentation, make these two cost-based room pricing approaches less useful. In essence, hotel rooms of various hotel segments (economy, mid-scale, deluxe, upscale, etc.) represent fairly similar products to a traveler wanting a good night's rest away from home. There has been a significant increase in economy and mid-scale hotel products during the last ten years. These economy and mid-scale products have competed with and challenged full-service hotel pricing processes.

A major group of hotel room pricing methods revolves around the yield management concept. The yield management theory is based on being able to impact hotel room demand by raising and lowering the price of hotel rooms (Relihan 1989). Another description of yield management was posited by Orkin (1990), who

said to sell as many rooms as possible at high rates to the price-insensitive traveler, and then, sell as many rooms as possible to the price-sensitive traveler by offering discounted rooms. The main hazard of yield management is that it confuses the frequent guest with varying rates for the same room at different times. Chen and Bei (2005) have found that inconsistent price information confuses consumers and diversifies price perceptions, leading to a yield management hazard.

Another group of hotel room pricing methods focuses on what price the guest is willing to pay. Lewis (1986) encouraged hoteliers to provide fair and stable prices. Lewis and Shoemaker (1997) designed the price-sensitivity approach, which determines an acceptable range between expensive and inexpensive. The difficulty of the price-sensitivity approach is that each market segment must be evaluated separately. Finding appropriate survey participants for each hotel market segment on a regular basis is administratively difficult. The Dellaert and Lindberg (2003) study complicates the price sensitivity approach with their finding that high-income tourists are generally less sensitive to average price changes. In other words, users of the price sensitivity approach may want to monitor closely the income levels of participants in certain market segments.

Gu (1997) Model Derivation

The Gu (1997) model was derived in the environment of the growing need to consider market forces and the recognized inadequacy of the cost-based approaches to do so. The first assumption of the model is a negative relationship between rooms sold, an indicator of room demand, and room rates. In other words, as room rates rise, rooms sold decrease, and vice versa. Evidently, this assumption is based on the law of demand, which holds that the consumer is willing and able to buy more of a good or service the lower the price (Maurice and Smithson 1985). The second assumption is that fixed and variable costs can be identified. Mixed costs can be separated into fixed and variable components using a regression approach as proposed by Schmidgall (2002). The final assumption is that undistributed operating costs can be properly allocated to the rooms department (Gu 1997).

The first step in the Gu model development is a demand function depicting the first assumption represented by the equation below:

$$D = \alpha - \beta r \quad (1)$$

In the equation, D represents the daily demand for rooms, and r is the room rate. Alpha is the potential demand for rooms when rooms are free. Beta is a measure of the price sensitivity of the demand. In other words, as room price or rate, r, increases by $1, the rooms demanded, D, would decline by β .

The next step adds costs to the equation. The pre-tax rooms department profit, π , is the product of rooms sold or demanded, D, and room rate, r, less all the related rooms operation costs, C, represented by the equation: $\pi = Dr - C$. Continuing with the second assumption, C can be separated into variable costs per room sold, v, and daily fixed costs, F. Combining the first two model development steps, and substituting v and F for C, yields the quadratic equation:

$$\pi = -\alpha v - F + (\alpha + \beta v)r - \beta r^2 \quad (2)$$

This quadratic equation is a parabola that indicates a maximum pre-tax room profit. By taking the first derivative of π with respect to r, the r that maximizes π can be identified. This first derivative equation is:

$$\pi' = (\alpha + \beta v) - 2\beta r \quad (3)$$

At the top of the parabola, which represents the maximum pre-tax room profit, the slope or the line tangent to the curve is zero. By setting the first derivative, π or Equation 3 to zero, the rate that maximizes pre-tax room profits, r* can be identified. The Gu (1997) model for identifying the optimal rate, r*, that will maximize pre-tax room profits, is summarized below:

$$r^*=(\alpha \ +\beta \ v)/2\alpha \ \beta \qquad (4)$$

where: r* = optimal room price

α = potential demand for rooms when the room rate is 0

α = a measure of the price sensitivity of demand

v = variable costs per room sold

As shown in Equation 4, fixed cost is not included and hence is not a relevant factor in determining the optimal rate. According to Gu (1997), by nature, fixed cost is a sunk cost in the room pricing process. In the equation, if variable cost per room is held constant, the optimal room price will decrease as the customer's price sensitivity, , increases. When price sensitivity is lower, the optimal room price should be higher.

Data and Methodology

One of the primary reasons for the Gu (1997) model not to have been tested up to this point is the difficulty in obtaining hotel specific occupancy and ADR data. In this study, the data collected is a convenience area sample from Southern California. Many general managers were very cooperative in allowing the collection of their occupancy, ADR, and expense information.

All of the data are from eight full-service hotels ranging from 300 rooms to over 1,000 rooms.The markets these hotels serve are primarily convention, leisure, and transient business.The hotel locations range from near the beach, to near an airport, to near a convention center. They are all national brand affiliated hotels that practice yield management.

The study included both monthly and daily data to test which time periods would best indicate the negative relationship between room rate and rooms sold. Two months of daily data, or approximately 60 observations, from seven full-service hotels were collected. The fourth quarter of 2001 was specifically excluded in collecting data so as to avoid the worst of the September 11 impact. The time periods tested are noted in Table 1. The data was taken from the daily revenue reports and month-end financial statements of each hotel. Five hotels, which provided monthly occupancy and ADR data, were used to test the long-term relationship of room price and rooms sold. Occupancy and ADR data from these hotels were collected for a consecutive 60-month period from the month-end statements of income. Seven of the eight hotels also provided daily data.

Table 1 : Personal Corellation Coefficients between Rooms Sold and ADR

Description	Hotel 1	Hotel 2	Hotel 3	Hotel 4	Hotel 5	Hotel 6	Hotel 7	Hotel 8
Test Period Daily Monthly	NA 96-00	A&S 01 96-00	J&F 02 NA	J&F 02 NA	J&A 01 96-00	J&F 02 96-00	M&A 01 NA	M&J 01 96-00
Pearson Daily Monthly	NA -0.44**	0.56** -0.27*	-0.01 NA	0.32* NA	0.27* -0.32*	0.34** 0.20	0.49** NA	0.42** -0.57**

Time Periods: Monthly data of five hotels cover January 1996 to December 2000; daily data cover August & September 2001 (Hotel 2); January & February 2002 (Hotels 3, 4 & 6), July & August 2001 (Hotel 5); March & April 2001 (Hotel 7); May & June 2001 (Hotel 8).

** Significant at the .01 level. * Significant at the .05 level.

Variable cost information for the corresponding periods of the rooms sold and ADR was also collected. The cost information was from the month-end statements of income. For the hotels from which two months of daily data were collected, the two months of revenue and costs were summed in order to calculate variable costs. In the case of the hotels with sixty months of monthly data, all sixty months of revenue and costs were summed for the basis of variable cost calculations.

An allocation of undistributed operating expenses was calculated. The allocation was based on the percent of rooms' revenue to total revenue. Allocation bases such as square footage and number of employees were not available. The allocated undistributed operating expenses were then regressed against actual rooms sold to calculate a fixed portion as suggested by Schmidgall (2002). The remaining undistributed operating variable costs were then added to the rooms' variable costs. Rooms department labor and other expenses were also regressed against actual rooms sold to calculate a fixed portion. The rooms labor and other expenses minus the fixed portion were considered rooms variable costs. The sum of the rooms' variable costs and the undistributed allocated variable costs was then divided by actual rooms sold to obtain a total variable cost per room sold.

For hotel operations, rooms sold seasonality is likely to occur due to weekday and weekend demand variation within a week, or busy-month and slow-month demand variation within a year. To control for the impact of seasonality on demand for rooms, seasonal adjustments were made to daily and monthly rooms sold to account for seasonal variation in occupancy using the centered moving average method proposed by Anderson, Sweeney, and Williams (2001). Weekday seasonal indexes of rooms sold were derived for each of the seven hotels that provided daily data, and monthly seasonal indexes were calculated for the five hotels furnishing the monthly data. Then, the actual rooms sold of each hotel were divided by its relevant seasonal indexes to arrive at the deseasonalized rooms sold.

A critical assumption of Gu's (1997) model is that the demand for rooms is negatively correlated with the ADR as specified by the demand function, D α = - r. Therefore, the correlation between desasonalized rooms sold and ADR of each hotel was first examined. The Pearson correlation between the two variables for each hotel was calculated and tested (see Table 1). A significant and negative correlation between rooms sold and ADR is a necessary condition to indicate that proper market forces are in place to test the Gu model. For hotels displaying significantly negative correlation between rooms sold and ADR, regression was run with rooms sold as the dependant variable and ADR as the independent variable to estimate the and parameters as specified in Equation 1. Finally, combining the estimated total variable cost per rooms sold with estimated α and β the optimal ADR was determined based on Equation 4.

In the regression to estimate α and β parameters, tests were conducted to make sure that necessary regression assumptions were met. The Jarque-Bera statistic was calculated and tested to check the normality of the dependent variable or rooms sold. A low P value associated with the statistic would lead to the rejection of the null hypothesis that there is a normal distribution. Since our regression model involves time-series data, the Breusch-Godfrey test, which is a Lagrange multiplier (LM) approach, was used to examine serial autocorrelation of the regression error terms. The null hypothesis of the test is that there is no autocorrelation, or the error terms are independent of each other. A significant test statistic with a low P value would show that autocorrelation exists. The final regression assumption test was for non-constancy of variance, or heteroscedasticity, of the dependent variable, or rooms sold. The test used was the White test. The null hypothesis of the White test is that the variance of the dependent variable remains constant when the value of the independent variable changes. A significant test statistic would reject the null hypothesis and indicate heteroscedasticity (Eviews 1994-1999).

Findings

Table 1 provides the Pearson correlation coefficients between rooms sold and ADR of the eight hotels and their significant levels of two-tailed t tests. Four of the five hotels that provided the monthly data show a significantly negative correlation between monthly ADR and rooms sold. The daily data from Hotel 3 also demonstrates a negative relationship between ADR and rooms sold, but the correlation is not statistically significant. The other correlation tests for hotels providing daily data were all positive and significant at the 0.01 or 0.05 level.

One hotel (Hotel 6) had a positive but insignificant correlation between monthly ADR and rooms sold. It appears that this hotel is part of a brand that successfully utilizes vertical market segmentation within the brand, regional reservation and sales processes, yield management, and frequent guest recognition programs that effectively circumvent normal demand functionality.

Since Hotels 1, 2, 5, and 8 were the ones that had a significantly negative correlation between monthly rooms sold and ADR as assumed by the Gu (1997) model, regression was run for each hotel with rooms sold as the dependent variable and ADR as the independent variable to identify the α and β parameters as specified in Equation 1. The estimated demand models for Hotels 1, 2, 5, and 8 with their respective α s and β s are displayed in Table 2. For other hotels, as no significant and negative relationship was found between rooms sold and ADR. regression was not run to estimate the demand function of $D = \alpha - \beta r$.

Table 2 : Estimated Demand Models for Four Hotels

	Hotel 1	Hotel 2	Hotel 5	Hotel 8
Alpha (α)	15,085.60**	11,417.70**	8,555.03**	14,203.55**
Beta (β)	-47.99**	-29.80*	-20.86**	-41.67**
F-Statistic	16.68**	5.23*	7.72**	39.40**
Adjusted R Square	0.21	0.07	0.10	0.39
Jarque-Bera	0.73	0.87	0.39	0.85
Breusch-Godfrey	0.07	0.07	0.25	0.33
White	0.38	0.47	0.67	0.49

** Significant at the 0.01 level. * Significant at the 0.05 level

The values indicated for Jarque-Bera, Breusch-Godfrey and White tests are P values.

As shown in Table 2, the estimated demand equations for Hotels 1, 2, 5, and 8 are as follows:

Hotel 1	$D = 15{,}085.60 - 47.99r$
Hotel 2	$D = 11{,}417.70 - 29.80r$
Hotel 5	$D = 8{,}555.03 - 20.86r$
Hotel 8	$D = 14{,}203.55 - 41.67r$

The models are significant at the 0.01 or 0.05 levels with an adjusted R squared value ranging from 0.07 to 0.39. The alpha and beta coefficients are all significant at the 0.01 or 0.05 levels. The Jarque-Bera statistics have P values ranging from 0.39 to 0.87, suggesting that the null hypothesis of normality cannot be rejected. The Breusch-Godfrey statistics range from 0.07 to 0.33, suggesting that the null hypothesis of no autocorrelation can be accepted at the 0.05 level. The White test's P values range from 0.38 to 0.67, suggesting that heteroscedasticity is not present in the regression.

The estimated variable costs per room for Hotels 1, 2, 5 and 8 are $33.93, $37.42, $43.48 and $31.88, respectively. Based on Equation 4, the optimal prices for the four hotels are calculated as follows:

Hotel 1	$174.15 = [15,085.60 + (47.99 X 33.93)] / (2 X 47.99)
Hotel 2	$210.27 = [11,417.70 + (29.80 X 37.42)] / (2 X 29.80)
Hotel 5	$226.79 = [8,555.03 + (20.86 X 43.48)] / (2 X 20.86)
Hotel 8	$186.38 = [14,203.55 + (41.67 X 31.88)] / (2 X 41.67)

At the end of the year 2000, the annual ADRs for these hotels was around $100. The hotel ADRs had been steadily rising over the past five years, but could rise even more according to the Gu (1997) model.

The annual ADR of the hotels examined appeared to be significantly lower than the calculated optimal rate based on the Gu (1997) model. This could be due to national discount participation requirements. Hotels often set the rack rate to be in compliance with national discount programs, which require a percent discount off the rack rate. For example, the AARP rate may be a 50% discount (AARP website, December 2005). The rack rate, then, becomes a baseline for setting all other rates, as opposed to being used frequently for guests. Our results indicate that the Gu (1997) model optimal rate could be best used to establish the rack rate.

A comparison was made between the Gu (1997) model calculated rates and the most recent year hotel average rates. The ADRs of the final year examined for Hotels 1 and 8 were about 55 percent of the Gu (1997) model optimal rates. For Hotels 2 & 5 for the same final year examined, the ADRs were about 43 percent of the Gu (1997) model optimal rates. The R-square values for Hotels 1 and 8 were higher than for Hotels 2 and 5, which may indicate that Hotels 2 and 5 have more market segment pricing challenges than Hotels 1 and 8. Hotels that must target many market segments to achieve an acceptable occupancy frequently use an approach described by Nykiel (2003) of offering a price range within each market segment. The greater the number of market segments, each with its price ranges, the greater the likelihood of price discounts. Also, Chen and Bei (2005) found that a greater price dispersion has a greater influence on the lower internal reference price (IRP) boundary than on the upper IRP boundary. The Gu (1997), Nykiel (2003), and Chen and Bei (2005) studies tend to support a policy of offering fewer discounts as a means of achieving a higher ADR.

Discussion

The law of demand postulates that if the price of a room increases, the demand for a room decreases, and vice versa. Under this theory, the beta coefficient in the regression equation should be negative. Perhaps the most important finding of this study is that daily data has significant limitations in application of Gu (1997) model. It was originally thought that one advantage of the Gu (1997) model was that it could easily be updated with recent occupied rooms & ADR data. However, this study discovered that several problems can arise with daily data.

First, the capacity issue should have caused a problem with daily data for the Gu (1997) model application. With a finite number of rooms to sell in a given geographic area during a certain day of the week, or during a particular convention, the number of rooms sold does not decrease as the price rises. Most hotels use the yield management concept to some degree, which suggests that prices should be increased as demand for rooms increases when capacity is tight. Hence, capacity issues over short periods of time may distort the theoretical negative correlation between rooms demanded and ADR, thus rendering the daily data ineffective in the Gu (1997) model application.

A significant group or convention may highly impact the ADR and occupied rooms for a few days at a given hotel or group of hotels. Monthly ADR data, however, is apparently shielded from the short-term effects of a particular group or convention because a few busy days during a month could possibly be neutralized by a few slow days, thus making the monthly ADR and occupancy relationship consistent with the economic theory. Taking a longer-term look at hotel price and demand, one may find the logical negative relationship between rooms sold and ADR to be present.

Second, other factors may have distorted or masked the normal relationship between room price and rooms sold. Ferguson (1987) and Lee and McKenzie (1998) argue that costs and market forces are not the only factors that affect pricing. There are also psychological, area capacity, and customer interaction issues at work. Lee and McKenzie (1998) suggest that the standard economic theory of high fixed cost and low marginal cost for hotel pricing is tempered by a customer effect. In other words, competition is not expected to drive down rates until excess capacity is eliminated. This customer effect is essentially that the value one consumer receives is influenced by other consumers. Two hotels of similar physical product in the same market illustrate this customer effect. One hotel has the reputation of being noisy, the other one of being quiet. Following the Lee and McKenzie theory, the quiet hotel may charge higher rates to attract guests willing to pay for a quiet environment.

Consumer purchase decisions often violate the negative price demand relationship. One economic theory that helps explain consumer's deviation from the law of demand is Prospect Theory, which has two components: 1) people are more risk-averse when dealing with gains than when dealing with losses; and, 2) people assign more weight to highly probable outcomes than to low-probability outcomes (Ferguson 1987). The application to hotels is that room pricing can take advantage of "psychology economics" by manipulating information and optimizing presentation of room prices. Such tactics could diminish the normal functionality of price and demand interactions.

Finally, the price/demand relationship for the daily data from Hotels 2 through 8 may have been further distorted by the monthly seasonality impact on daily rate and rooms sold for which the study was unable to control. The two-month daily data of the seven hotels allowed us to derive only the week-day seasonal indexes for the seven days of Monday through Sunday to control for the daily pattern of rooms sold within a week. It was impossible for us to derive 12 monthly seasonal indexes based on two-month data sets. Therefore, for Hotels 2 through 8, daily ADR variations due to monthly seasonality was not accounted for, although their weekly variation was neutralized by the deseasonalization using their seven daily indexes.

The adjusted R-squared values for the significant models ranged from 0.07 to 0.39. This indicates that ADR alone explains a small to moderate portion of the variance in rooms sold for Hotels 1, 2, 5, and 8. This low explanation of variance may also indicate other psychological, capacity, or customer interaction influences. Evidently, additional factors need to be added to the demand regression equation if the purpose is to increase the explanatory power of the regression model.

Conclusions

The simple cost-based approaches of the past no longer work in today's complex and competitive market. Ignoring the importance of costs, however, may also be dangerous. Setting prices without variable cost information could lead to cash depletion. The yield management approach of raising and lowering prices, and tightening and loosening room inventory frequently can confuse and alienate customers. Psychological factors distort the normal functionality of price and demand interaction. The Gu (1997) model incorporates both market and cost approaches in room pricing and establishes a baseline for incorporating non-economic factors.

In this study, Hotels 1, 2, 5, and 8, meet all of the statistical significance tests and the Gu (1997) model criteria. The research and testing indicate opportunities for increasing prices at these four hotels. The price increases would yield substantial pre-tax profit increases, as the hotels studied have variable costs below $48. For hotels with their ADRs and rooms sold demonstrating negative relationships, the Gu (1997) model may therefore be used to provide optimal ADR guidelines to maximize pre-tax profits. In particular, this study suggests that hotels may raise the rack rate so that discounted rates may also rise. An increase in discounted rates would raise the total hotel ADR.

Hotels 2 through 8, or those tested with daily data, confirm that other factors influence the interactions of price and demand. Fixed capacity, or a fixed number of available rooms, is one such factor. During a particular event or day of week, the number of rooms sold may increase as prices increase. This is the basis of the yield management approach.

Psychological factors also impact prices. Repeat guest programs, frequent guest rewards, and unique hotel characteristics influence customer decisions. All the eight hotels tested use psychological factors to some extent through their national brand affiliation and location.

This study indicates that using monthly data tends to smooth out the influence of capacity and psychological factors. Another possible approach is to isolate pricing of specific market segments. This is one advantage of the Lewis & Shoemaker (1997) price sensitivity approach.

Hence, a pricing combination approach is optimal. It can start with the Gu (1997) model. Then, the Lewis and Shoemaker (1997) price sensitivity range may initially help identify the highest customer acceptable price. Then, a non-alienating yield management approach would avoid offering too many discounts during high demand periods.

Another reason for starting with the Gu (1997) model using monthly data is that it is critical for hotel executives to calculate variable costs, so that no prices are extended below the variable cost level. Also, it may not be practical or possible to frequently test customer price sensitivity on a day-to-day basis. The Gu model may be used to provide a long-term guidance for room pricing that may help maximize hotel profits.

Additional research opportunities abound in room pricing. Suggested areas of research focus would be: 1) testing the Gu (1997) model for optimal pricing by market segment; 2) finding additional predicting factors for the regression equation and the Gu (1997) model; and, 3) comparing the various pricing approaches or combination of approaches for the optimal pricing solution.

The Gu (1997) model is successful in combining market and cost components, but relies on monthly data versus daily data, due to the nature of monthly rooms sold and ADR being void of major group or event fluctuations. Examining and testing pricing data by market segment may yield additional insights and relationships on ADR and rooms sold.

The price and demand relationship is apparently tempered by such factors as location, capacity, and consumer psychology. Identifying which of these factors influence ultimate pricing decisions would greatly improve the Gu (1997) model. Also, comparing the optimal price computed using the Gu (1997) model with the price obtained using other pricing models would be enlightening.

One final note is that the Gu (1997) model supports the current hotel pricing practice of setting high rack rates that are then discounted for volume and leisure guests. The Gu (1997) model indicates the optimal rate that maximizes pre-tax profits. The process of calculating variable costs and fitting the regression model provides the sophisticated framework for profitably discounting the optimal rate to volume and leisure guests.

References

AARP website retrieved December 2005 from http: aarp.org aarp_benefits offer_travel hotels sheraton.html.

Anderson, D., Sweeney, D., Williams, T. (2001). Forecasting. In Quantitative Methods for Business. (8th ed.) (pp. 165-190). Cincinnati, OH: South-Western College Publishing.

Arbel, A. and Woods, R.H. (1991). Inflation and hotels: The cost of following a faulty routine. Cornell Hotel and Restaurant Administration Quarterly, 31(4), 66-75.

Bertsimas, D., Popescu, I. (2003). Revenue management in a dynamic network environment. Transportation Science, 37(3), 257-277.

Chen, E.Y.I., Bei, L. (2005). The effects of price dispersion and suggested list price on consumers' internal reference price. Consumer Interests Annual 51, 160-170.

Coltman, M. (1987). Hospitality Management Accounting. (3rd ed.) (pp. 160-162) VanNostrand: Reinhold, New York.

Dellaert, B.G.C., Lindberg, K. (2003). Leisure Sciences, 25, 81-96.

Eviews software Help Section (1994-1999). Specification and Diagnostics Tests. White's Heteroskedasticity Test.

Ferguson, D. (1987). Hidden agendas in consumer purchase decisions. Cornell Hotel and Restaurant Administration Quarterly, 28(1), 30-39.

Gu, Z. (1997). Proposing a room pricing model for optimizing profitability. International Journal of Hospitality Management, 16(3), 273-277.

Kotler, P., Bowen, J.T., Makens, J.C. (2006). Pricing products: Pricing considerations, approaches, and strategy. In Marketing for Hospitality and Tourism (4th ed.) (pp.445-487). Upper Saddle River, N.J.: Pearson Prentice Hall

Lee, D. and McKenzie, R. (1998). How the client effect moderates price competition. Southern Economic Journal, 64(3), 741-752.

Lewis, R.C. (1986). Customer-based hotel pricing. Cornell Hotel and Restaurant Administration Quarterly, 27(2), 18-21.

Lewis, R., Shoemaker, S. (1997) Price-sensitivity measurement: A tool for the hospitality industry. Cornell Hotel and Restaurant Administration Quarterly, 38(2), 44-47.

Maurice, C. and Smithson, C. (1985). Managerial Economics. Irwin, Inc., Homewood, IL.

Nykiel, R.A. (2003). Applying Key Marketing Methodologies: Pricing Strategies. In Marketing in the Hospitality Industry (4th ed.) (pp. 233-241). Lansing, Michigan: Educational Institute of the American Hotel & Lodging Association.

Orkin, E. (1990). Strategies for managing transient rates. Cornell Hotel and Restaurant Administration Quarterly, 30(4), 34-39.

Relihan, W. (1989). The Yield-management approach to hotel-room pricing. Cornell Hotel and Restaurant Administration Quarterly, 30(1), 40-45.

Schmidgall, R. (2002). Hospitality Industry Managerial Accounting. Educational Institute of the American Hotel and Lodging Association, Lansing, MI.

About the Author

Dr. Steed has extensive experience in the hotel business that includes positions such as area vice-president, vice-president operations controller, and general manager. He earned a Ph.D. from University of Nevada, Las Vegas.

Dr. Gu is a professor at the Harrah College of Hotel Administration, University of Nevada, Las Vegas. He has published over 100 articles in academic and industry journals. He has also taught and conducted research in China and France.

JOURNAL OF H&T
www.johat.com

The Inter-Relationship between Perceived Importance, Satisfaction and Destination Loyalty

The Case of American Tourists in Vietnam

Thuy-Huong Truong
Centre for Hospitality and Tourism Research
Victoria University, Australia
Brian King
Centre for Hospitality and Tourism Research
Victoria University Australia

Abstract : This paper identifies the attitudes and perceptions of American travellers towards Vietnam including their search, use and evaluation of destination-based of products and services. With a view to identifying the extent to which Vietnam provides the destination attributes sought by American tourists, the paper uses a variety of variables including socio-demographics, travel characteristics, perceptions and behavioural intentions. It examines levels of perception and satisfaction and behavioural intentions (destination loyalty) with regards to Vietnam tourism products and services. In addition to its academic significance, the research should provide tourism service providers and destination marketers with improved insights into the behaviour and characteristics of American tourists.

Key words: Vietnam, American tourists, perceptions, satisfaction, destination loyalty, tourism products and services

Introduction

An Overview of Tourism in Vietnam

Vietnam has increasing appeal for holidaymakers seeking novelty and excitement. It is a popular destination amongst both group and independent travellers and this popularity is largely attributable to the natural scenery and exotic culture. This appeal is somewhat similar to what applies for the rest of East Asia (Millington, 2001). The steady growth of international tourist arrivals is indicative of Vietnam's appeal in diverse markets. The growth experienced over the period 2000 to 2005 is highlighted in Table 1.

Table 1: International Tourist Arrivals to Vietnam by Major Countries (2000-2005)

Nationality	2001	2002	2003	2004	2005
China	672,846	724.385	639,423	778,431	684.054
Japan	204.860	279,769	209,730	267,210	298,979
Taiwan	200.061	211.072	207,866	256.906	260.987
USA	230.470	259.967	218,928	272.473	299,442
France	99,700	111,546	86,791	104,025	114,779
Australia	84.085	96.624	93,292	128.661	132.398
Britain	64.673	69.682	63.348	71.016	73.828
Thailand	31.789	40,999	40,123	53.682	77.599
Total	1.588.484	1.794.044	1.559. 501	1.932.404	1.942.066
Grand Total	2,330,050	2,627,988	2,073,433	2,927,876	3,140,426

Source: VNAT (2006)

Of the top six tourism generating countries for Vietnam, China was consistently ranked first and the USA ranked second. As outlined in Table 1 these were followed by Japan, Taiwan, Australia and France. The USA has strong historical and cultural links with Vietnam and over the period 1997 to 2005 arrivals almost doubled from 147.982 to 333,566 (VNAT, 2006). It is forecast that by the year 2010 the USA will maintain its position as the second largest source of international tourists to Vietnam.

An overview of the US Market

Vietnam targeted the American market for tourism relatively late and the market remains relatively underdeveloped. Vietnam was closed to American citizens over the two decades leading up to 1993, with US - based tourism companies prohibited from any active engagement. The US led trade and investment embargo and passport restrictions acted as constraints on personal travel. The "Dealing with the Enemies Act" was finally repealed in 1994 and travel and trade sanctions were discontinued. The re-establishment of diplomatic ties prompted a new era of commercial and cultural relations and the emergence of largely positive press coverage. Overcoming some unfavourable coverage, the profile has maintained Vietnam as top of mind for American tourists. Vietnam is now open to American leisure, business and VFR (visiting friends and relatives) travellers and the travel industry is free to engage in marketing.

Recently a marked shift in preference has been evident amongst American travellers away from longer and more expensive travel to Europe towards cheaper trips to Asia including Vietnam. US travellers are constantly in search of new destinations offering the opportunity to experience a wide range of activities and attractions, often with the added appeal of encountering a new culture. The changing ethnicity of the USA, including the arrivals of Vietnamese migrants since 1970, has increased awareness amongst the US population of the diversity of Asian cultures. Amongst American travellers, interest in Asia appears to correlate strongly with educational attainment. A strong intellectual orientation is borne out by interest in educational trips generally and Vietnam's cultural and historical offerings in particular. Attractions for American travellers to Vietnam have included appealing history and exotic culture.

Ruppel et al. (1991) have noted that Americans seldom travel to poor, developing countries with the exception of Mexico. Vietnam is however exceptional because it reminds Americans of their past and their national heritage. Vietnam's appeal in the USA may be because an earlier generation was directly involved in aiding the colonial powers against the Vietnamese military. War memories are one of the reasons why visitors generally and war veterans in particular make pilgrimage to the erstwhile theatres of war. Alongside the veterans are urban middle class explorers who evince a keen interest of knowing about other cultures and traditions. The marketing of tourism packages amongst American veterans appears to offer potential, particularly as Americans have some familiarity with Vietnam. Hundreds of thousands of American soldiers were stationed throughout Vietnam during peacetime and many are now interested in revisiting Vietnam, motivated by nostalgia or by curiosity about how things have changed. Vietnam has a plethora of war sites which are of interest to both veterans and their families, uninvolved service personnel and to others interested in military history. Americans who are interested in exploring sites of military significance are good prospects. Those who experienced active service in the Vietnam War are anxious to return under more favorable conditions. However, the U.S. market is complex and heterogeneous. The potential market is a relatively small subset of all travelers and it is necessary for Vietnam's destination marketing organizations need to focus greater promotional effort on the market segments that offer greatest potential. Vietnam will however continue to enjoy an advantage with respect to the US leisure, business and VFR markets as the various air transport links are progressively re-established between the two countries.

The foregoing discussion suggests that limited research has been undertaken on the American outbound travel market. Despite Vietnam's ample opportunity to expand its share of the US market, no systematic investigation has been undertaken about American perceptions of Vietnam. The literature regarding the travel behaviour and holiday satisfaction American travellers to Vietnam is sparse and appears virtually non-existent. Truong and King (2005) examined the perceived attractiveness and extent of satisfaction amongst American tourists with the products consumed in Vietnam. Truong and King (2006) investigated how cultural differences impact upon American tourists and Vietnamese host perceptions of the quality of service offered or received, particularly as they apply to the attributes and performance of service providers. These differences are examined with a view to developing an understanding of cross-cultural tourist-host perceptions about service quality which are both positive and mutual. For this reason, there is a need to examine the behaviour, perception and satisfaction levels of American tourists. Identifying salient activity preferences and travel characteristics will assist the development of strategies which pursue the achievement of competitive advantage. Investigating the perceptions, satisfaction and behavioural intentions of American travellers towards tourism products and services in Vietnam will assist the development of an understanding of the needs and expectations of the American market as well as other Western markets with implications for staff training, service improvement and product development. The aims of the present paper are:

1) to provide a comprehensive overview of American tourist behaviour in Vietnam using a combination of socio-demographics, travel characteristics, perceived importance and satisfaction with tourism products and the behavioural intentions of finding out which destination attributes tourists most liked or disliked, and.

2) to examine the relationship between tourist perceptions, satisfaction and destination loyalty.

Literature View

Destination Image and Tourist Perceptions

Destination image involves perceptions held about an area by potential visitors. It may be viewed as the sum of beliefs, ideas and impressions that a person has of potential tourist destinations (Calatone et al., 1989; Crompton, 1997), of a place (Phelps, 1986) or of vacation attributes (Richardson and Crompton, 1988). Destination image is also defined as how a country is perceived relative to others and is viewed as a complex combination of various products and associated attributes (Gartner, 1989). From these studies it may be concluded that destination image is often viewed as the perception or impression of a destination.

Gensch (1978) characterised "image" as an abstract concept incorporating the influences of past promotion, reputation and peer evaluation of alternatives. Image may also be viewed as connoting consumer expectations. He argued that image plays a more significant role in product situations where consumers have difficulty obtaining an objective measurement of the important product attributes. Since they are generally unsuited for testing prior to travel, tourism products require subjective judgments rather than objective measurement. Potential tourists frequently have limited knowledge about destinations which they have not previously visited (Um and Crompton, 1992). They have difficulty forming objective measures of the important attributes of the destination or vacation sites.

In this context, the destination image takes on a holistic position in the product evaluation process. Moutinho (1987) viewed an image as "total thought" about the product derived through processing the information of things or products. He also proposed that product images are a function of the level of awareness, beliefs and attitudes developed about the product, and associated expectations about prospective benefits.

Destination image incorporates a number of functional characteristics associated with the more tangible destination traits such as scenery, attractions, accommodation, prices, transport, infrastructure and climate. It also encapsulates psychological characteristics concerning intangible aspects such as the level of friendliness, safety, atmosphere and quality of service that is expected. These characteristics may be arranged along a continuum ranging from traits which can be commonly used to compare all destinations, to those which are unique to very few destinations. In the present study, destination image is briefly examined by measuring the perceptions of functional and psychological attributes in conjunction with the interviews and observations conducted by the researcher to determine holistic impressions and to capture unique features.

In order to assess the attractiveness of Vietnam to prospective American tourists, it is useful to understand their perceptions, preferences and opinions. The attractiveness of a travel destination reflects the feelings, beliefs and opinions that an individual has about the destination's perceived ability to satisfy their special vacation needs (Hu and Richie, 1993). In the literature, the notion of destination attractiveness has been conceptualised by linking it with the decision-making process and with the specific objectives demanded by travellers (Mayo and Jarvis, 1981). Tourists typically demand a set of natural or man-made attractions or "something interesting or unusual to see or to do" (Ferrario, 1979) as attractions provide major symbols and images for the presentation of destinations to the public (Leiper, 1990). As a result, an accurate assessment of product image is a prerequisite for designing an effective marketing strategy (Reilly, 1990).

The research suggests that those destinations with strong, positive images are more likely to be considered and chosen within travel decision processes (Woodside and Lysonski, 1989). As a result, destination image has an important role in the various models of travel decision-making that have been developed (Moutinho, 1984; Woodside and Lysonski, 1989). Destination image is defined as not only the perceptions of individual destination attributes but also the holistic impression made by the destination. Once at the destination, satisfaction largely depends upon a comparison of expectations based on previously held images and the realities encountered at the destination (Chon, 1990). Tourist destination images are important where this is the case because they influence both the decision-making behaviour of American tourists and their levels of satisfaction regarding their tourist experiences in Vietnam. Understanding the various different destination images of Vietnam held by American pleasure travellers would be valuable, enabling the salient attributes and the re-evaluated image to be incorporated into the process of marketing and planning for tourism.

Tourist Satisfaction

Pizam, Neumann and Reichel (1978) have defined tourist satisfaction as a comparison between "a tourist's experience at the destination visited and the expectations about the destination". Pearce (1980) emphasises that tourist satisfaction is dependent on pre-travel favourability towards the destination thereby contributing to post-travel favourability. Moutinho (1987) notes that satisfaction is primarily a function of pre-travel expectations and post-travel experiences. Oliver and Desarbo (1988) indicate that an individual's expectation is confirmed when a service performs as expected and is negatively disconfirmed when the service performs worse than expected, and is positively disconfirmed when the service performs better than expected. This definition has been criticised for assuming that expectations are adequate predictors of satisfaction. In fact evidence suggests that the most satisfactory experiences may be those that are unexpected (Arnould et al, 1993). Furthermore, Weber (1996) has mentioned that consumer satisfaction is a central concept in marketing theory and practice and has a direct influence on future purchase intentions, market share and word-of-mouth communication. Consumer satisfaction can help strengthen the competitive position of products. Based on these definitions, the expectations and experiences of tourists will greatly affect their levels of holiday satisfaction or dissatisfaction. Satisfaction is a multi-faceted concept and should be assessed by referring to many individual aspects of the holiday encounter, for example products, services and facilities.

The study of tourist behaviour should include both what tourists need and the outcome of the need, namely how well tourist needs are met and how satisfied the tourists are with the services or products that are provided. Parasuraman et al (1988) have suggested that questions relating to perceptions of both need and outcome will be considered. Many studies concentrate on tourist needs but few focus on satisfaction with the attributes of a destination (Weber, 1996; Cho, 1998), or on the perceived need of tourists and their satisfaction with the outcome of the need. The present study includes an analysis of the American visitors' perceived importance of and satisfaction with regards to products and services encountered in Vietnam

Destination Loyalty (Behavioural Intentions)

Past research has suggested that satisfaction is an excellent predictor of repurchase intentions (Choi and Chu 2001; Petrick 2002). The importance of repeat visitation in internationally tourism is widely acknowledged. Repeat visitation is important for the destination as a whole and for individual attractions. The lesser cost involved in marketing to repeat consumers has frequently been noted as a positive association (Haywood 1989; Rosenberg and Czepiel 1983). The "earning potential" of reducing consumer attrition has also been mentioned (Reicheld and Sasse, 1990). Repeat visitation has been used intuitively by operators and destination managers as an indicator of positive product perceptions.

Alongside intention to revisit, word-of-mouth (WOM) communication has also been identified as a vehicle for expressing satisfaction or dissatisfaction with products (Murray, 1991). This form of communication is widely regarded as an important and popular marketplace phenomenon. It has been suggested that informal information from WOM has strong impacts on customer evaluations of products and sellers and on future purchase decisions (Richins, 1983; Bolen, 1994). In tourism, the personal experiences of customers form the basis of assessments of both tangible products and intangible services.

Other researchers such as Pizam, Neumann and Reichel (1978) and Danaher and Arweiler (1996) have demonstrated that satisfaction is a valuable concept in understanding destination performance. A number of studies have investigated the impact of destination attributes on intentions to revisit and to recommend (Baker and Crompton, 2000; Kozak and Rimmington, 2000; Ross, 1993). An investigation of each attribute's impact on future intentions could demonstrate the strengths and weaknesses of destinations by assessing their individual performance levels and the feedback received from their customers. Nevertheless, an investigation of the influence of overall tourist satisfaction and the level of satisfaction with specific attributes and their impact on repeat visitation to Vietnam has remained limited beside the Truong's (2002) study. The objectives of the present study are to examine any relationship between tourist perceptions. satisfaction with their intention to repeat visits and recommendations to others.

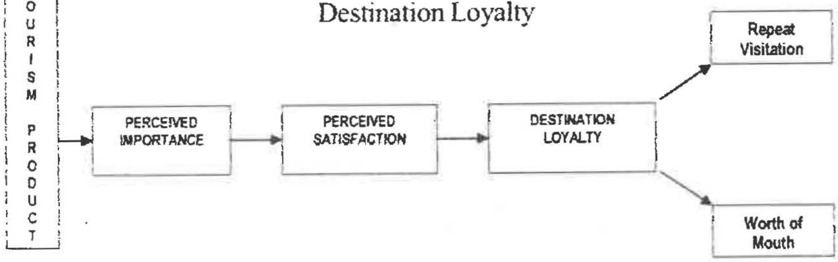
Hypothesis

The literature review has shown that there is a relationship between perception, satisfaction and behavioural intention (destination loyalty). As outlined in Figure 1 it is a hypothesis of the present paper that:

1. the perceived importance of tourists will assist the prediction of satisfaction and behavioural intentions,

2. behavioural intentions (including 'intention to return to the destination' & the willingness to recommend it) have been used as indicators of travel behaviour,

Figure 1: Inter-Relationship Model of Perception, Satisfaction and Destination Loyalty



Source: Developed by Researchers

Methodology

The current study sought to identify the socio-demographics and travel characteristics of American tourists. It also sought to investigate how respondents rate the relative importance of tourism product attributes in Vietnam and how satisfied they are with these attributes. The survey was administered to respondents at the end of their tour and is therefore focused on satisfaction as determined by attributes experiences and importance but not on expectations. Although expectations are thought to contribute to satisfaction, they are by no means the only determinant of satisfaction, and the strength of this study is to investigate the relationship between perceived importance and satisfaction as well as the behavioural intention of American visitors towards products and services experienced in Vietnam.

A combination of quantitative and qualitative data was used to elaborate the findings of the study for a number of reasons:

A quantitative approach was selected because it encompasses structural design and focuses on statistical procedures. Survey questionnaire constitute one form of quantitative research and involve asking a large number of prospective respondents the same set of questions and then examining their answers. The advantages of this approach include the use of large sample sizes representing the population under consideration and the measurement of means, attitudes and opinions using scores and ratings. The results when summarized and analyzed allow for generalizations to be formulated with a degree of confidence. Quantitative approaches also have some shortcomings. In-depth information about the subjects may not be forthcoming and large samples are required to facilitate statistical analysis (Brunt, 1997).

A qualitative approach was also used because this allowed the researchers to understand both what happened and how and why it happens (Kraus and Allen, 1997: 99). Qualitative data is more personal and easily understandable (Brunt, 1997; Veal, 1998; Henderson, 1991). It is based on an inductive approach and allows theory to emerge rather than to construct it preordinately. Furthermore, researchers have a better opportunity to get closer to the informants and grasp their point of view and vision. Qualitative methods can therefore provide meaningful data from a limited number of individuals regarding their expectations, experiences, behaviour, needs and aspirations.

Though both quantitative and qualitative methods were used in this study, the stronger emphasis was on the quantitative approach. Primary data were gathered mainly by a questionnaire survey of tourists. Qualitative data from the interviews and researchers' participant observations were also collected to supplement and help to interpret the survey results. There were some delicate matters from a respondent perspective that were worthy of exploration because of the special relationship between Vietnam and the USA in terms of history, politic and culture. Thanks to the direct interaction between researchers and respondents in the form of participant observations and interviews, rich information and greater insights into respondent feelings could be obtained.

Therefore, a combination of survey-based interviews and participant observations was viewed as the most suitable data collection for the current study. This approach enabled the researchers a) to achieve a high total response rate; b) to reveal information about feelings and emotions regarding different subjects; c) to provide greater sensitivity to any misunderstanding by respondents; and d) to provide information on non-verbal behaviour of respondents. This is reconfirmed by Henderson (1991), Newman (1997) and Veal (1998) who indicated that understanding both qualitative and quantitative approaches will enable researchers to know a broader range of research and can used in complementary ways in order to achieve better outcomes.

For analysis purposes, frequency distributions were used to analyse respondent socio-demographic profiles and travel characteristics. Paired sample t test were used to identify levels of importance and satisfaction in respondent assessments of Vietnam. These assessments were applied to the attractiveness of the country, the price and quality of products and service and destination safety and security. Interviews and observations were also used to provide a clearer picture of respondent perceptions of tourism products and services in Vietnam.

Instrument

A five-part questionnaire was prepared containing a series of closed questions. The first and second parts aimed at investigating respondent socio-demographic profiles and travel characteristics. The third part aimed at examining respondent behavioural intentions. The fourth and fifth parts attempted to capture tourist perceptions and satisfaction with products and services encountered in Vietnam. The questions included in these sections referred to respondent perceptions of Vietnam and satisfaction in terms of destination attractiveness, products and services and destination uncertainty. This section consisted of thirty-one attributes as described below. It comprised the key variables from the literature review developed by Truong (2002) regarding tourism products and services:

❖ Perceived destination attractiveness was measured using variables reflecting overall visitor perceptions of Vietnam in terms of attractions, activities, accommodation, amenities and accessibility offered by Vietnamese hosts.

❖ Perceived value was measured with variables reflecting visitor perceptions of the price, quality and variety of products and services received, eg. the value of goods & services for the prices charged such as price of souvenirs, gifts, food and beverages & the overall value for money for their holiday in Vietnam.

❖ Perceived uncertainty was measured with variables reflecting visitors' perceptions of the political stability and the overall safety and security of Vietnam as holiday destination.

Respondents were asked to indicate their perceptions of these holiday attributes on a six point Likert-type scale format with 1 indicating "Completely Unimportant" and 6 meaning "Extremely Important". Respondents were then asked to indicate their satisfaction with the same holiday attributes on a 6-point Likert-type scale format with 1 indicating "Completely unsatisfied" and 6 meaning "Extremely satisfied".

Sample and Procedure

This paper forms part of a larger investigation of the perceptions and satisfaction levels of international tourists towards Vietnam. The sample population for the present study was drawn from American residents visiting Vietnam on an escorted tour or as free independent travellers and whose purpose of journey was holiday, business, education, conference or visiting friends and relatives. The fieldwork component of the study was conducted in Vietnam between February 2003 and February 2004. The researchers approached respondents randomly at major attractions, restaurants, shops, hotels and bars in selected major cities in Vietnam. It was anticipated that travellers would complete the instrument upon their return home from Vietnam or else at the completion of their holiday within Vietnam. Of four hundred and twenty questionnaires distributed, one hundred and ninety completed questionnaires were collected. The sample size obtained met the minimum suggested by Salant and Dillman (1994). There are 20 cases were deleted because of some incomplete and missing data points. Therefore, 170 remaining and fully completed questionnaires were used for the study, indicative of a 41% response rate. Version 12 of SPSS was used for data input.

Results and Discussions

Socio-Demographic Characteristics

As outlined in Table 2, respondents consisted of 54.1% of females and 45.9 % males. In term of age, 19.5% of respondents were between 18 to 31 years old and 27.7% between 32 to 45 years of age. The majority were older with more than 52% being between 46 and 60 years of age. A high proportion had a university degree (51.7%) with undergraduate holders (28.2%) and post-graduate degree holders (23.5%). The largest groups of respondents were professionals (31.8%), followed by manager or administrator (20.6%) and retired (13.5%). This finding is in line with the PATA study (1999) which indicated that Americans who travel internationally tend to be better educated, wealthier, and older than average. Travellers to the Asia-Pacific region in particular come from the economic and educational elite, a status that few reach until later in life. Most have considerable prior experience as international tourists.

Table 2: A Socio-Demographic Profile of Respondents

American Tourists (N=170)	Number	Percentage
Gender		
Male	78	45.9
Female	92	54.1
Age		
18 - 24	21	12.4
25 - 31	12	7:1
32 - 38	18	10.6
39 - 45	29	17.1
46 - 52	34	20.0
53 - 59	15	8.8
More than 60	41	24.1
Education		
High school	38	22.4
College (Non Degree)	44	25.9
University Degree	48	28.2
Postgraduate	40	23.5
Occupation		
Manager / Administrator	35	20.6
Professional	54	31.8
Student	13	7.6
Tradesperson	16	9.4
Technician	19	11.2
Laborer / Worker	10	5.9
Retired	23	13.5

Source: Survey Results 2004

Travel Characteristics

The following section outlines respondent travel characteristics such as travel purpose, travel mode, travel companion, length of stay, number of trips to Vietnam and the use of different information sources for preparing their holiday. Table 3 provides a breakdown of the responses.

Table 3: Travel Characteristics of American Tourists

American Tourists (N=170)	Number	Percentage
Purpose of Trip To Vietnam		
Holiday	127	74.7
Education	14	8.2
Conference	4	2.4
Business	9	5.3
Visiting Friends and Relatives	16	9.4
Sources of Information about Vietnam		
Family/ Relatives/ Friends	74	12.3
Media	66	11.0
Previous experience	67	11.1
Guide books	115	19.1
Travel agents	83	13.6
Newspaper	74	12.3
Internet	123	20.5
Number of Trips to Vietnam		
First time	100	58.8
Second time	36	21.2
Third time	19	11.2
Fourth time	6	3.5
Fifth time	4	2.4
Six time and more	5	2.9
Length of Holiday in Vietnam		
Less than one week	6	3.5
From one week to two weeks	55	32.4
More than two weeks	62	36.5
From two weeks to three weeks	15	8.8
From three weeks to four weeks	13	7.6
More than four weeks	19	11.2
Travel Mode to Vietnam		
Escorted Tour	100	58.8
Independently	70	41.2
Travel Companion		
Alone	98	57.6
Two Person	60	35.3
Three Persons	12	7.1

Source: Survey Results 2004

Regarding travel purpose, 74.7% of respondents travelled to Vietnam for pleasure purposes. Among this number, 15.9% also travel for education, conference and business purposes and 9.4% also travel for visiting friends and relatives (as they had connection through marriage or cultural interest with Vietnam). A majority (58.8%) were visiting Vietnam for the first time, 21.2% for the second time and around 20% for between three to six times.

A relatively large percentage of respondents were undertaking an escorted tour (58.8%) while 41.2% were travelling as free and independent travelers. Given the sampling frame, it is not surprising that respondents demonstrated a strong preference for escorted tours. A similar trend is evident in the case of other Western outbound travel markets to Vietnam with a tendency for group rather than for individual travel (VNAT, 1999). A desire for fewer hassles, convenience and reasonable prices may be reasons for choosing escorted tours. When selling package tours to Americans tour operators may be well advised to emphasize the benefits of fewer problems, greater convenience and reasonable prices. In addition, they might promote values such as quality service and variety of tour options to increase their market share.

A relatively high proportion of American tourists (41.2%) traveled to Vietnam as free independent travelers. The opening up of Vietnam to individual travelers in the early 1990s offered a rare opportunity to witness both the speed and adaptation processes of development of low-budget accommodation infrastructure. A significant proportion of American backpackers discovered Vietnam as a newly accessible area of South East Asia. The relatively high percentage of independent travel has been the result of visa relaxation over the last few years, especially during the promotion of "Vietnam as a destination for the New Millennium". Such features may guide the Vietnamese tourism industry when marketing or promoting their products. It may be worth emphasizing the backpacker segment which allows tourists to explore, sightsee and undertake a variety of activities independently.

With regard to party composition, 57.6% of respondents travelled alone while more than 35.3% travelled with two persons as couple and 7.1% with three persons as with friends. The interpersonal relationships that respondents enjoy with family and friends during their trip and the friendly relationship created with others whilst on holiday were also another interesting experience reported by many respondents. Escorted tours would usefully feature activities that allow American tourists the opportunity to enjoy the company of fellow travellers and families.

The typical duration of American vacations to Vietnam was two to three weeks. Some 36.5% of respondents holidayed in Vietnam more than two weeks, 32.4% for one to two weeks, 11.2% for more than four weeks, 8.8% for between two to three weeks, 7.6% for between three weeks to four weeks and 3.5% for less than one week. The duration of trip seems to be longer than expected relative to other medium haul destinations.

Approximately 59% of respondents were traveling to Vietnam for the first time, 21.2% for the second time and 20% as from the third to over six time. These results suggest that many respondents were experienced Vietnam travellers. With the sharp fall in the price of travel and accommodation in the last few years in Vietnam, the pattern is beginning to change as American have more opportunities to shift away from longer and more expensive trips to Europe towards shorter and relatively cheaper trips to Vietnam. American travellers are considering Vietnam as a potential holiday destination for a number of reasons: they have a strong historical connection and they are curious of coming to return after so many years of war. These results imply that the Vietnamese tourism industry can build a distinct image in the American market with a view to attracting more tourists. A high percentage of respondents are very experienced travellers having previously holidayed in Vietnam with a high percentage on their second trip (21.2%) and 20.0% on third, fourth and even sixths trip to Vietnam. Targeting the repeat American visitors could also be considered as one of the important components of Vietnam's tourism marketing strategy. According to Oppermann (1998), it is five or six times more effective to attract previous customers than it is to gain a new one, and the expected positive word-of-mouth generated by satisfied customers could serve as a further marketing incentive.

With reference to information used, Table 4 outlines the most important sources of information used by respondents in preparing for their holiday to Vietnam.

Table 4: Sources of Information about Vietnam

Category label	Count	Percent of Responses	Percent of Cases
Internet	123	20.5	72.4
Guide Books	115	19.1	67.6
Travel agents	82	13.6	48.2
News paper	74	12.3	43.5
Family/ Relatives/ Friends	74	12.3	43.5
Previous Experiences	67	11.1	39.4
Media	66	11.0	38.8
Total Responses	601	100	353

Source: Survey Results 2004

Some respondents used more than one information source. Consequently, the results are presented with the "Percentage of Responses" column used to indicate the proportion of the total number of information sources used in each category. Internet emerges as the most popular source of information. The "Percentages of Cases" column indicates the proportion of respondents that had used Internet as the particular source of information for their trip to Vietnam.

As can see on Table 4, the majority of respondents (72.4%) cited Internet as the most important source of information, though most had also used other sources. Some 67.6% had used Guidebooks while 48.2% used Travel Agents. Other sources included 43.5% who obtained information from their families and relatives, 39.4% from with previous travel experience to Vietnam, 43.5% from newspaper and 15% from the media. These results show that American travellers access a wide range of sources of information when preparing for a holiday in Vietnam. These findings indicate that tourists who plan their travel well in advance usually search for detailed information. The sources of information and types of promotional tools have an influence over destinations images (Telisman-Kosuta, 1989; Butler, 1990; Bojanic, 1991; Gartner, 1993). The outcomes of the present research have also confirmed that the Internet, guidebooks and travel agents were the most prominent means of forming the perceptions of American tourists towards Vietnam Word-of-mouth from friends, family and relatives also played a vital role in the decision-making process. According to Biles et al (1999), overseas promotion by Vietnam's tourism industry remains very limited. Vietnam's tourism industry may need develop a distinct strategy rather than relying on traditional approach of advertising overseas. Building a strategy around the full range of travel information sources including the Internet, guidebooks and promotional publications may be more effective. Enhancing the knowledge and skills of travel agents may also help to provide a better product and service to their customers. Positive reports from satisfied clients can play an important role in the success of tourism businesses.

Destination Loyalty

With regard to behavioural intentions, of the 170 visitors surveyed on a scale from 1 (Definitely Not) to 6 (Definitely Yes), 60.6% stated that they would definitely return to Vietnam, whilst only 2.4% would not. Concerning recommendation of Vietnam as a holiday destination to others, the vast majority of respondents (63.5%) stated that they would definitely recommend Vietnam whilst only 4.1% of respondents replied that they would not (see Table 5). Based on these results, it appears that there is and will continue to be an American holiday market for Vietnam. According to Cho (1998), "the opinions on intention of repeat visit and recommending the tour to others also represent the overall satisfaction" of respondents.

Table 5: Destination Loyalty (Behavioural Intention)

Consideration Repeat Visitation to Vietnam	Frequency	Percent
Definitely Not	4	2.4
Two	2	1.2
Three	4	2.4
Four	27	15.9
Five	30	17.6
Definitely Yes	103	60.6
Total	170	100
Recommendation of Vietnam Holiday to Others	**Frequency**	**Percent**
Definitely Not	7	4.1
Two	7	4.1
Three	10	5.9
Four	15	8.8
Five	23	13.5
Definitely Yes	108	63.5
Total	170	100

Source: Survey Results 2004

Comparison of Perceived Importance and Satisfaction

This section consists of the Paired samples t test results. Interviews and observations were also used to provide a clearer picture of respondent perceptions of Vietnam's attractiveness in terms of price and quality of products and services offered as well as the level safety and security.

Findings from the Survey Questionnaire

Each of the 31 variables indicated a single destination attribute and respondents were asked to indicate the importance and satisfaction of each. These findings were supplemented with participant observations on the part of the researchers.

The following section focuses on Paired samples t test of destination attributes sought by American travellers. This type of analysis is viewed as the best means of ranking the perceived importance and levels of satisfaction of respondents towards the tourism products and services offered by providers in Vietnam.

As can be seen in Table 6 and based on mean scores the 31 destination attributes are ranked in order of importance from high to low, with only two items having low scores. There are "Availability of Shopping Facilities" (4.49) and "Value of Goods and Services for Prices Charged" (4.38). Similarly, respondent levels of satisfaction were also ranked from high to low. Only two items had low means scores, namely "Services levels in Retail Shops" (4.20) and "Availability of shopping facilities" (3.75). There are no attributes is rated low (less than 3 on a 5-point scale) in both in the perceived importance and levels of satisfaction.

In Table 6, an association is drawn between the top ten attributes in either the importance column or the satisfaction column. The relationships are highlighted with arrows. The top rated item overall is "Friendliness and Hospitality of Local People". This is ranked one for importance and two for satisfaction.

Table 6: Results of Paired Samples T Test of Importance (I) and Satisfaction (S) with Destination Attributes in Vietnam

Table 6: Results of Paired Samples T Test of Importance (I) and Satisfaction (S) with Destination Attributes in Vietnam

IMPORTANCE (I)	Mean	Rank	Comparison between Importance and Satisfaction	Rank	Mean	SATISFACTION (S)
Friendliness and Hospitality of Local People	5.56	1		1	5.48	Overall feeling of Safety and Security
Variety of Natural, Cultural and Historical Attractions	5.54	2		2	5.35	Friendliness and Hospitality of Local People
Social and Educational Value of Tour	5.45	3		3	5.28	Safety at Tourist Sites/ Accommodations/ Restaurants
Efficiency of Services at Tourist Facilities	5.44	4		4	5.28	Overall Value for Money
Perception about Variety of Beautiful Natural Scenery	5.40	5		5	5.27	Quality and Variety of Restaurants
Variety of Cultural Events and Festivals	5.40	6		6	5.26	Political Stability of Destination
Availability of Nightlife and Entertainment Facilities (e.g. Karaoke)	5.38	7		7	5.24	Variety of Natural, Cultural and Historical Attractions
Overall feeling of Safety and Security	5.25	8		8	5.19	Value of Goods and Services for Prices Charged
Quality and Variety of Restaurants	5.25	9		9	5.16	Social and Educational Value of Tour
Quality Standard of Accommodation / Resort	5.20	10		10	5.13	Services levels and Competency of Tour Guides
Service levels of Banking Facilities	5.19	11		11	5.12	English, French, Chinese- Languages spoken at Destination
Variety of Activities (Cruising, Trekking or Backpacking)	5.17	12		12	5.09	Perception about Variety of Beautiful Natural Scenery
Safety at Tourist Sites/ Accommodations/ Restaurants	5.14	13		13	5.05	Prices of Food and Beverage
Services levels and Competency of Tour Guides	5.13	14		14	5.05	Variety of Activities (Cruising, Trekking or Backpacking)
Availability of Brochure in my Own Language	5.11	15		15	5.01	Prices of Souvenirs and Gifts
English, French, Chinese- Languages spoken at Destination	5.06	16		16	5.01	Quality Standard of Accommodation / Resort
Services levels of Front-line Employees (e.g. Hotel and Restaurant)	5.04	17		17	5.01	Service levels of Banking Facilities
Overall Hygiene and Sanitation at Destination	5.01	18		18	4.98	Services levels of Local Drivers
Service levels at Airport	5.00	19		19	4.94	Sign Posting to Attractions and Facilities in your Own Language
Services levels of Local Drivers	4.98	20		20	4.87	Variety of Cultural Events and Festivals
Service levels of Immigration and Customs Clearance	4.88	21		21	4.77	Service levels at Airport
Political Stability of Destination	4.94	22		22	4.75	Availability of Nightlife and Entertainment Facilities (e.g. Karaoke)
Sign Posting to Attractions and Facilities in your Own Language	4.94	23		23	4.74	Services levels of Front-line Employees (e.g. Hotel and Restaurant)
Overall Value for Money	4.87	24		24	4.71	Overall Hygiene and Sanitation at Destination
Accessibility and Comfort of Local Transport Services	4.87	25		25	4.60	Service levels of Immigration and Customs Clearance
Availability of Facilities at Tourist Sites and Airports	4.78	26		26	4.54	Availability of Brochure in my Own Language
Services levels in Retail Shops	4.71	27		27	4.54	Efficiency of Services at Tourist Facilities
Prices of Food and Beverage	4.68	28		28	4.48	Availability of Shopping Facilities
Prices of Souvenirs and Gifts	4.55	29		29	4.48	Accessibility and Comfort of Local Transport Services
Availability of Shopping Facilities	4.49	30		30	4.20	Services levels in Retail Shops
Value of Goods and Services for Prices Charged	4.38	31		31	3.75	Availability of Facilities at Tourist Sites and Airports

Source: Survey Results 2004

Destination Attributes - Degree of Perceived Importance

The respondents determined the mean scores for each attribute in terms of importance. They were asked to assess the importance of each attribute from the list of 31 variables with one being least important and six being most important. An analysis of the means allows for the identification of the most important attributes. Of the 31 variables, the 10 which scored highest in terms of importance are Friendliness and Hospitality of Local People; Variety of Natural, Cultural and Historical Attractions; Social and Educational Value of Tour; Efficiency of Services at Tourist Facilities; Variety of Beautiful Natural Scenery; Variety of Cultural Events and Festivals; Availability of Nightlife and Entertainment Facilities; Overall feeling of Safety and Security; Quality and Variety of Restaurants; Quality Standard of Accommodation / Resort. The 10 most important attributes and their means are listed on Table 7.

Destination Attributes - Degree of Satisfaction

The mean satisfaction score was then obtained in terms of for each attribute. One was least satisfied and six was very satisfied on a scale of one to six. An analysis of the means allows for the identification of the destination attributes recognised as most satisfactory by American tourists. Of the 31 variables, the 10 which scored highest for satisfaction are Overall feeling of Safety and Security; Friendliness and Hospitality of Local People; Safety at Tourist Sites/ Accommodations/ Restaurants; Overall Value for Money; Quality and Variety of Restaurants; Political Stability of Destination; Quality and Variety of Restaurants; Variety of Natural, Cultural and Historical Attractions; Value of Goods and Services for Prices Charged; Social and Educational Value of Tour and Services levels and Competency of Tour Guides. The 10 most satisfied attributes and their means are listed on Table 7.

Table 7 compares the top 10 Destination Attributes for importance and for satisfaction with the most important Destination Attributes being listed on the left. The Destination Attributes that scored most satisfaction are listed on the right with the mean is reported in each case. These results indicate that there is a high match between importance and satisfaction in the case of variables including Friendliness and Hospitality of Local People; Overall feeling of Safety and Security; Quality and Variety of Restaurants Variety of Natural, Cultural and Historical

It is noted that there are some attributes which are ranked very low in importance but very high in satisfaction. This indicates that respondents were very satisfied with theses attributes. These attributes are Value of Goods and Services for Prices Charged, Overall Value for Money, Political Stability of Destination and Safety at Tourist Sites/ Accommodations/ Restaurants. Similarly, there are some attributes ranked very highly in importance but very low in satisfaction. This indicates that respondents have obtained a low level of satisfaction or they were unsatisfied. These attributes are Availability of Nightlife and Entertainment Facilities (e.g. Karaoke), Availability of Facilities at Tourist Sites and Airports.

Table 7: Results of Paired Samples T Test for the

Importance (I) and Satisfaction (S) of Top 10 Most Important Destination Attributes

Rank	IMPORTANCE	Mean	SATISFACTION	Mean
1	Friendliness and Hospitality of Local People	5.56	Overall feeling of Safety and Security	5.48
2	Variety of Natural, Cultural and Historical Attractions	5.54	Friendliness and Hospitality of Local People	5.35
3	Social and Educational Value of Tour	5.45	Safety at Tourist Sites/ Accommodations/ Restaurants	5.28
4	Efficiency of Services at Tourist Facilities	5.44	Overall Value for Money	5.28
5	Variety of Beautiful Natural Scenery	5.4	Quality and Variety of Restaurants	5.27
6	Variety of Cultural Events and Festivals	5.4	Political Stability of Destination	5.26
7	Availability of Nightlife and Entertainment Facilities	5.36	Variety of Natural, Cultural and Historical Attractions	5.24
8	Overall feeling of Safety and Security	5.25	Value of Goods and Services for Prices Charged	5.19
9	Quality and Variety of Restaurants	5.25	Social and Educational Value of Tour	5.16
10	Quality Standard of Accommodation / Resort	5.2	Services levels and Competency of Tour Guides	5.13

Source: Survey Results 2004

Interview and Observation Outcomes

To enhance the trustworthiness of the findings, a combination of qualitative and quantitative analysis was used as data and method triangulation approaches. Based on the survey results, we may conclude that American tourists were generally happy with their holidays in Vietnam. As a result, the interviews and observations also provided insights into respondent feelings and evaluation. Highlights included overall safety and political stability, friendliness of the local people, scenery, culture, value for money, local cuisine, cultural and historical attractions. Lowlights included hygiene and sanitation; poor facilities at some airports and retail shops; poor sign posting and the shortage of information centres; inadequate service facilities offered at some banks; a deficiency of nightlife and entertainment facilities, the high charge of telecommunication services and the overall quality of service provided by some tourism providers and customs clearance. Some of these aspects were analysed as follows:

Safety and Security: Personal safety, natural disasters, political instability and other forms of disturbance are causing concern for travellers. This is particularly so in the case of American tourists. Due to the recent experience with 11 September and to the perception that they may be targets of terrorist attacks, they exhibit great concern with their own safety when travelling abroad. Though they feel safe when holidaying in a politically stable destination such as Vietnam, respondents were however very concerned about the recent outbreaks of SARs and bird flu. An image based on health and safety is likely to become increasingly important as the number of economies tied to tourism increases. Vietnamese tourist providers may need to improve the destination image by improving perceptions about health factors which may be perceived as risky.

Friendliness of Local People: Respondents were particularly satisfied with this aspect of their Vietnam experience. The hospitality of the people appeared to make their trip to Vietnam a truly memorable experience. Pizam et al emphasised the vital role of the psychological determinants of satisfaction such as the hospitality of the host community, which they defined as a willingness to help tourists, friendliness and courtesy towards tourists (1978). Pizam, Jafari and Milman also confirmed that tourist experiences affect the attitudes and opinions that tourists have of their hosts (1991). In the present study, interviewees indicated that tourism has positively affected the attitudes and opinions that American have of Vietnamese hosts and that this can reduce the negative attitudes in the past between the two nations.

Culture Seekers: Vietnamese culture and history are considered to be the most attractive drawcards for American tourists. This includes a mix of old customs and habits. Tourists enjoyed meeting with and talking to local residents, tasting local cuisine, visiting minority ethnic people, witnessing traditional music and dance and purchasing the local artefacts. To experience different cultures and life-styles and broaden their knowledge of history are important benefits sought by American tourists during their visits to Vietnam. The major personal gains that Americans achieve through tourism include understanding other cultures and histories. Coming from a highly individualistic culture, Americans focus on understanding other cultures through scientific observation. They seem to perceive hosts as equals and not just part of the tourist industry. By developing these friendships, American tourists reported as gaining a greater understanding of the Vietnamese host culture. Tour operators may benefit from taking the "culture seeker" features of American travellers into account when developing the itineraries.

Vietnamese cuisine is another cultural aspect of the country enjoyed by American tourists. Culinary experiences were a highlight of many holidays and generally exceeded expectations. The results suggest that instead of arranging for all meals in the hotel, tour operators might organise opportunities for tourists to try some cheap specialities in the local food stores. Confirmation that standards of hygiene are high is important for respondents.

Attractions: Respondents showed considerable interest in the diversity of Vietnam's attractions. The primary areas of interest were cultural sightseeing (temples, archaeological ruins, war sites, markets and festivals) and natural sightseeing (coastal regions, national parks, and mountains). This is supported by research undertaken by Jansen-Verbeke (1995), which indicated that the combination of natural and cultural resources in Vietnam forms a strong basis for developing a unique tourist product. This could appeal to visitors seeking beach type holidays and those who are interested in visiting natural and scenic locations, historic places and cultural attractions. Many respondents did however express disappointment about the inadequate of maintenance evident in many tourist sites, the shortage of information centre and the poor signposting. It is clear that more work is needed by the Vietnamese authorities to preserve these attractions, as well as to erect more information centres and English language signs.

War Sites: For many war veterans, Vietnam represents a site of personal sacrifice. Travel becomes a type of pilgrimage including the search for meaning in a place of war and a place associated with youth. In commenting on the desire for authentic experiences, MacCannell has noted that the tourist is the modern embodiment of the religious pilgrim (1976). The long and complex histories of Vietnam with so many historical sites and war relics have also been a highlight for many American tourists, particularly for War Veterans and their families. However, some respondents were disappointed by the one-sided approach to history shown in some museums. Vietnam might benefit from marketing its wartime heritage in a more effective, appropriate and consistent manner. A balanced and sensitive interpretation is important to provide appropriate experience for visitors who arrive with diverse needs and expectations. On the other hand, the findings have shown that Vietnam appeals to American travellers more as a pleasure destination than as a country of war or destitution. Promoting and maintaining a positive image of Vietnam is needed if more tourists and foreign investment are to be attracted.

Activities: Activities are another important holiday experience for respondents. Most enjoyed river cruising, boating on the bay, visiting minority ethnic groups in the hill regions or riding by cyclo, a popular form of local transport. A number of respondents also enjoyed cycling in ancient towns like Hoi An and Hue or along quiet country lanes. Trekking, backpacking and cycling tours were preferred activities for some fit and adventurous respondents. Activities and attractions are key attributes of a specific destination such as Vietnam and should be successfully exploited by tour operators to deliver effective travel products and services to American holidaymakers.

Value for Money: Qualitative factors such as different culture, beautiful scenery and quality of accommodation were more important than price during the initial stage of selecting a holiday. However, tourists from different countries value the various attributes differently. Respondents do not view the value and price of goods and services as very important (Table 5), but they expressed satisfaction with these attributes. They were highly satisfied with the purchase of Vietnamese handicrafts such as Zippos; a replica of helicopters as toys made from soft-drink cans. With the prevailing exchange rate between the US and Vietnamese currencies, respondents viewed Vietnam as a very reasonable and affordable destination. There was a perception that bargains were available when purchasing holiday goods, services and products. Some respondents were however displeased with Vietnam's officially sanctioned dual pricing policy. According to this scheme, Westerners pay more for goods and services than locals, especially in the case of transportation and accommodation. A revision of this policy might be desirable with a view to making the travel fares and accommodation rates in Vietnam more competitive and more attractive to potential American tourists.

Accommodation: Since 1986, restrictions on private investment have gradually been lifted and foreign investment and ownership has been encouraged. The number of joint-venture hotels and private hotels has increased significantly since the open door policy was introduced by the Vietnamese government in 1990. An oversupply of hotel rooms has led to a significant decrease in room rates but the amenities have been substantially developed. According to respondents, rooms were well equipped with facilities such as mini-bar and IDD telephone and many provided complimentary extras such as exotic fruit trays and fresh flowers. Respondents placed considerable importance on the quality of facilities in their rooms and were generally satisfied with the quality of their accommodation in Vietnam. However, they did mention that the quality of staff service needed improvement in the case of a number of hotels. As the attribute and performance of hotel service providers contribute significantly to guest satisfaction beside the amenities provided, room quality standards may need to better meet customer expectations. Meeting or exceeding customer expectations generally results in a positive attitude towards a hotel's service quality (Parasuraman et al., 1988).

Tourists Service Providers: The production and distribution of services in international tourism involves a substantial amount of cross-cultural experience on the part of both tourists and service providers. Despite the friendliness and courteousness of Vietnamese service providers, staff appear to lack of experience in dealing with Western customers and the ability to speak the language. In order to satisfy customer needs, it would be advisable for service providers to devote greater effort to human resources training. In-house training programs should be arranged to improve employee helpfulness, cross-cultural communication and understandability, language skills, appearance and the efficiency of check-in or check-out. The staff also need to be involved in setting quality and should realise that maintaining service quality is part of their job because service quality is likely to lead to customer satisfaction and repurchase intention (Bitner, 1990; Cronin and Taylor, 1992; Teas, 1993).

Tour Guides: Respondents reported that their tour guides were of high quality. The majority of Vietnamese tour guides were commended for their mastery of English. Tour guides were regarded as playing an important role in transmitting local knowledge and in helping them to avoid uncomfortable contacts with

Vietnam hosts. Good tour guides have the ability to interpret and to give visitors useful information about tourist sites. This was found to have an influence on their satisfaction with their learning, especially with their cross-cultural experiences. However, a number of respondents did comment that some tour guides seemed to be reciting scripts or trying to be politically correct and lacked their "personal touch". Such actions created doubt and distrust in the minds of visitors among the visitors. According to Schmidt, a good guide can provide tourists with authentic tourist experiences and psychological satisfaction. In addition to language skills and the knowledge required for their jobs, tour guides should have good cross-cultural understanding and have enthusiastic and pleasant personalities (1979). Regular training should be given to tour guides to enhance their knowledge and improve their interpretation skills and become familiar with the peculiarities of their customers, in this case, Americans.

Immigration and Customs Clearance: Respondents reported that these procedures were quite fast and efficient but in need of some improvement. They in particular recommended that staff should be friendlier and more courteous rather than appearing intimidating to tourists. Immigration and customs clearance is one of the first service procedures that tourists encounter on entering or leaving a particular destination. As first impressions always count, this service could significantly influence the overall satisfaction of travellers. Therefore, conducting appropriate training programs for these "frontline" personnel is considered essential in providing more efficient and courteous services and to encourage more user-friendly procedures with tourists.

However, there are also some aspects that respondents were dissatisfied. These are described below:

Hygiene and Sanitation: American tourists are greatly concerned about hygiene and sanitation including the lack of clean public toilet facilities. Many expressed disappointment when witnessing inadequate maintenance of such facilities in some hotels and public buildings. They also criticised the maintenance of these facilities and stressed the need to improve the level of hygiene and sanitation available to the public.

Banking Services: respondents complained that many ATM facilities did not operate properly, creating difficulties for the withdrawal of money. Others were very disappointed that credit card payments were rejected in many places. Credit card payment facilities are considered important by American travellers because of security issues associated with carrying cash and the overall convenience. This service is not yet popular in Vietnam. In order to avoid such inconvenience, tour operators need conduct an induction program to their customers before travel to Vietnam and local government should provide more banking facilities to satisfy the needs and wants of growing numbers of tourists.

Nightlife and Entertainment Facilities: Respondents very much enjoyed Vietnamese traditional music and folk songs. However they reported that there is a lack of entertainment facilities for them to enjoy at night, particularly in some small towns. Therefore, instead of equipping site with only karaoke facilities as a popular form of distraction, more variety of entertainment facilities such as bars or nightclubs would be appreciated by American tourists.

In summary, the results obtained from the quantitative and qualitative have indicated that there is a strong link between perceived importance, satisfaction and behavioural intention. According to the calculated mean scores of importance and satisfaction (paired samples t test), it is clear that respondents are generally satisfied with tourism products consumed in Vietnam. Findings from the interviews and personal observations also indicate that respondents are generally satisfied with their holiday experiences. Furthermore, the results also reveal a high percentage of respondents having a favourable opinion of the destination. A high proportion of respondents would recommend their holiday to friends and relatives and would like to return to Vietnam for a deeper exploration of the areas which particularly appealed to them. Though the percentage of people recommending their holiday to others is higher than the percentage of repeat visitors, it is certain that the overall satisfaction of American travellers is high. Crossley and Xu (1996) indicate that "It is logical that tourists who are satisfied will probably recommend tour to others, yet may seek different destinations for their next vacation" (p.7). These results indicate that the level of overall satisfaction of American tourists to Vietnam is very high.

Conclusions and Recommendations

The current paper has addressed an under-researched aspect of tourism, namely American views of Vietnam's tourism products. Through its incorporation of several groups of variables it should provide academics with an enhanced understanding of the factors determining tourist behaviour. These variables include the affect of personal cultural characteristics (such as socio-demographic, travel characteristics and behaviouristic intention profiles) on tourist holiday perception and satisfaction.

As is the case with other forms of leisure and consumer behaviour, tourism is a product of cultural variables and processes. It is often treated as a generic experience or product by those involved in planning and/or marketing. The outcomes of the present paper will be relevant in the context of increasing participation in tourism by members of diverse cultural groups. It may also help to enhance the appreciation of Western cultural differences amongst Asian and Vietnamese tourist marketers, in order to make appropriate adjustment to their marketing strategies. Moreover, as Asia emerges as the world's fastest growing tourism region, the paper will extend knowledge about Vietnam as a destination.

From a managerial perspective, the findings should assist Vietnam's tourism industry to develop more focused marketing activities and to guide the development of products targeted at the American market. The socio-demographic and travel characteristics of American tourists that have been identified will provide a useful guide for marketing. A number of key benefits sought by respondents have been indicated and are worth emphasizing. These include scenic beauty, interesting history and culture, friendliness of local people, food, famous cultural and natural attractions and value for money. Providing a satisfactory experience for American tourists is however equally important as projecting a positive image. Vietnamese tourism service providers would be well advised to ensure that Americans have satisfactory travel experiences in Vietnam. They should also consider how to provide added value with a view to securing market share in this emerging and high potential market.

While this research has added to the current literature on American travel behaviour in Asia and particularly in Vietnam, there are a number of limitations and the results should be treated cautiously. The current research is exploratory and involves a relatively small sample. This limits the generalisation of the findings. However, as "tastes and styles of travellers are still of an emerging nature" (Mok et al., 1995); longitudinal research on American pleasure travellers should be conducted to obtain patterns of travel to, and monitor attitudinal changes towards different types of activities and services. It might be worthwhile comparing the expectations and the perceptions of American who have not visited Vietnam with those who have been previously. Although beyond the scope of the present study, an evaluation of this comparative aspect would be valuable for future purposes. There is also a need to research American outbound travel to different destinations. It is hoped that this study will provide guidance for Vietnam which has much to offer for American tourists in terms of diversity, culture, affordability and historical significance and further research is needed into tourism in South East Asia to place this potential in wider context.

References

Arnould E. J. and Price, L. L. (1993). River Magic: Extraordinary Experience and the Extended Service Encounter. Journal of Consumer Research, Vol. 20: 24-45.

Baker, D. A., and J. L. Crompton (2000). Quality, Satisfaction and Behavioral Intentions. Annals of Tourism Research, Vol. 27 (3): 785-804.

Biles, A; Lloyd, K. and Logan, W. S. (1999). Tiger on a Bicycle: the Growth, Character, and Dilemmas of International Tourism in Vietnam. Pacific Tourism Review, Vol. 3: 11-23.

Bitner, M, (1990). Evaluating Service Encounters: The Effects of Physical Surroundings and Employee Responses. Journal of Marketing, Vol. 54: 69-82.

Bojanic, D.C. (1996). Consumer Perception of Price, Value and Satisfaction in the Hotel Industry:

An Exploratory Study. Journal of Hospitality and Leisure Marketing, Vol. 14 (1): 5-22.

Bolen, W. H. (1994). The Role of Word-of-Mouth 'Advertising' in Retailing. American Business Review, Vol 12 (2): 11-14.

Butler, R. (1990). Alternative Tourism: Pious Hope or Trojan Horse? Journal of Travel Research, Vol. 28 (3): 40-45.

Brunt, P. (1997). Market Research in Travel and Tourism, Melbourne, Butterworth- Heinemann.

C Catalone R. J.; Di Benedetto C. A.; Halam and Bojanic, D. C. (1989). Multiple Multinational Tourism Positioning using Correspondence Analysis. Journal of Travel Research, Vol. 28 (2): 25-32.

Cho B. H. (1998). Assessing Tourist Satisfaction: an Exploratory Study of Korean youth tourists in Australia. Tourism Recreation Research, Vol. 23 (1): 47-54.

Choi.T. Y. and R. Chu (2001). Determinants of Hotel Guests' Satisfaction and Repeat Patronage in the Hong Kong Hotel Industry. Hospitality Management, Vol. 20: 277-97.

Chon, K. S. (1990). The Role of Destination Image in Tourism: a Review and Discussion. The Tourist Review, Vol. 2: 2-9.

Crompton, J. L. (1997). A System Model of the Tourist's Destination Selection Decision Process with Particular Reference to the Role of Image and Perceived Constraints. Unpublished Doctoral Dissertation, Texas A and M. University.

Cronin, J. and Taylor, S. (1994). SERVPERF versus SERQUAL: Reconciling Performance-based and Perception-minus-Expectations Measurement of Service Quality. Journal of Marketing, Vol. 58: 125-131.

Cronin. J. J. and S. A. Taylor (1992). Measuring Service Quality: A Re-Examination and Extension. Journal of Marketing, Vol 56: 55-68.

Crossley, J; and Xu, Z. B. (1996). Three Satisfaction Models Compared in Survey of Taiwanese Tourists. Visions of Leisure and Business, Vol.15, (2): 4-14.

Danaher, P.J. and Arweiler, N., (1996). Customer Satisfaction in the Tourist Industry: A Case Study of Visitors to New Zealand. Journal of Travel Research, Vol. 34 (1): 89-93.

Ferrario, F. F. (1979). The Evaluation of Tourists Resources: An Applied Methodology. Journal of Travel Research, Winter: 18-23.

Gartner, W. C. (1993). Image formation process. Journal of Travel and Tourism Marketing, Vol. 2 (3): 199-212.

Gensch, D. H. (1978). Image-measurement segmentation. Journal of Marketing Research, Vol. 15: 384-394.

Haywood, K. M. (1989). Managing Word-of-Mouth Communications. Journal of Service Marketing, Vol. 3 (2): 55-67.

Henderson, K. A. (1991). Dimensions of Choice: A Qualitative Approach to Recreation. Parks and Leisure Research, PA, Venture Publishing, Inc.

Hu, Y. and Ritchie B. W. (1993). Measuring Destination Attractiveness: A Conceptual Approach. Journal of Travel Research, Vol. 32 (2): 25-34.

Jansen-Verbeke, M. and Go, F. (1995). Tourism Development in Vietnam. Tourism Management, Vol.16 (4): 315-325.

Kozak, M. and Rimmington, M. (2000). Tourist Satisfaction with Mallorca, Spain as an Off-Season Holiday Destination. Journal of Travel Research, Vol. 39 (3): 260-269.

Kraus, R. and Allen, L. R. (1997). Research and Evaluation in Recreation, Parks and Leisure Studies, Gorsuch Scarisbrick Publishers, Arizona.

Leiper, N. (1990). Tourism System and Interdisciplinary Perspective, Massey University Printery, New Zealand.

MacCannell, D. (1989). The Tourist. New York: Schocken Books.

Mayo, E. J. and Jarvis L. P. (1981). The Psychology of Leisure and Travel Behaviour, C.B.I; Massachusetts.

Millington, K. (2001). Vietnam: Country Report, EIU Travel and Tourism Analysis, Vol. 2: 87-97.

Mok, C. and Armstrong, R. W. (1995). Taiwanese Travellers' Perception of Leisure Destination Attributes. Australian Journal of Hospitality Management, Vol. 2 (1): 17-22.

Moutinho, L. (1984). Vacation Tourist Decision Process. The Quarterly Review of Marketing, Vol. 9: 8-17.

Moutinho, L. (1987). Consumer Behaviour in Tourism. European Journal of Marketing, Vol. 21 (10): 1-44.

Murray, K. B. (1991). A Test of Services Marketing Theory: Consumer Information Acquisition Activities. Journal of Marketing Vol. 55 (1): 10-25.

Newman, W.L. (1997). Social Research Methods: Qualitative and Quantitative Approaches, Allyn and Bacon, Boston.

Oliver, R . L. and Desarbo, W. S. (1988). Response Determinants in Satisfaction Judgements. Journal of Consumer Research, Vol. 14: 495-504.

Oppermann, M. (1998). Destination Threshold Potential and the Law of Repeat Visitation. Journal of Travel Research. Vol. 37: 131-137.

Parasuraman, A; Zeithaml, V.A and Berry, L.L. (1988). SERVQUAL: A Multiple-item Scale or Measuring Consumer Perceptions of Service Quality. Journal of Retailing, Vol. 64: 12-37.

PATA (1999), Hotel Online Special Report, PATA Strategic Information Centre.

Pearce, P. L. (1980). A Favourability-Satisfaction Model of Tourists Evaluations. Journal of Travel Research, Vol. 19 (3): 13-17.

Phelps, A. (1986). Holiday Destination Image the Problem of Assessment, an Example Developed in Menorca. Tourism Management, Vol 3: 168-180.

Pizam, A.; Neumann, Y. and Reichel, A. (1978). Dimensions of Tourism Satisfaction with a Destination Area. Annals of Tourism Research, Vol. 5: 314-322.

Pizam, A.; Jafari, J. and Milman, A. (1991). Influence of Tourism on Attitudes: US Students Visiting USSR, Tourism Management, Vol. 12 (1): 47-54.

Reicheld, F. F., and W. E. Sasse (1990). Zero Defections: Quality Comes to Services. Harvard Business Review, Vol. 68: 105-11.

Reilly, M. D. (1990). Free Elicitation of Descriptive Adjectives for Tourism Image Assessment. Journal of Travel Research, Vol. 28: 21-26.

Richardson, S. L. and Crompton, J. L (1988). Cultural Variations in Perceptions of Vacation Attributes. Tourism Management, Vol. 9 (2), pp. 128-136.

Richins, M. L. (1983). Negative Word-of-Mouth by Dissatisfied Consumers: A pilot study. Journal of Marketing, Vol. 47 (1), 68-78.

Rosenberg, L. J. and J. A. Czepiel (1983). A Marketing Approach for Customer Retention. Journal of Consumer Marketing, Vol. 1: 45-51.

Ross, G. F. (1993). Destination Evaluation and Vacation Preferences. Annals of Tourism Research, Vol. 20: 477-489.

Ruppel, F.; Blaine, T. W. and Peterson W. (1991) U.S. Tourism in the Socialist Republic of Vietnam Voices. The Art and Science of Psychotherapy, Vol. 27(1): 189-199.

Salant, P. and Dillman, D. A. (1994). How to Conduct Your Own Survey. New York: John Wiley & Sons, Inc.

Schmidt, C. J. (1979). The Guided Tour, Urban Life, Vol. 7: 441-467.

Teas, R. (1993). Expectations, Performance, Rvaluation and Sonsumers' Perceptions Quality. Journal of Marketing, Vol. 57: 18-34.

Telisman-Kosuka, N. (1989). Tourist Destination Image in Tourism Marketing and Management Handbook, ed. Stephen F. Witt and Luiz Moutinho, 557-61. New York: Prentice Hall.

Truong, T.H. (2002), Holiday Satisfaction of Australian Travellers in Vietnam. An Application of the HOLSAT Model", Unpublished Masters Dissertation, RMIT University, Australia.

Truong, T.H and King, B. (2005). Perceived Attractiveness of Vietnam as a Holiday Destination for American Tourists, p. 243-259. Refereed paper in "Tourism-Vehicle for the Development", Mohamed B. (eds). CD-ROM, Universiti Sains Malaysia, Penang, Malaysia, 9-11. ISBN 983-41749-1-8

Truong, T.H and King, B. (2006). Cross-Cultural Perspectives on Service Quality: The case of American Guests and Vietnamese Hosts. p. 1062-1083. Refereed paper in "to the city and beyond...", O'Mahony, G.B. and Whitelaw, P.A. (eds). CD-ROM. Victoria University, Melbourne. 6 - 9 February. ISBN 0-9750585-1-7.

Um, S. and Crompton, J. L. (1992). The Roles of Perceived Inhibitors and Facilitates in Pleasure Travel Decisions. Journal of Travel Research, Vol. 30 (3): 18-25.

Veal, A. J. (1997). Research Methods for Leisure and Tourism: A Practical Guide, Financial Times, Pitman Publishing, London.

Vietnam's General Department for Tourism (1999). Vietnam Inbound Travel, Unpublished Special report, VGDT, Hanoi.

Vietnam National Administration of Tourism-VNAT (2005). Tourist Statistic Visitors, URLhttp:// www.vietnamtourism.com

Weber. K. (1996). The Assessment of Tourist Satisfaction Using the Expectancy Disconfirmation Theory: A study of the German Travel Market in Australia, Pacific Tourism Review, Vol. 14: 35-45.

Woodside, A.G. and Lysonski, S. (1989). A General Model of Travel Destination Choice, Journal of Travel Research, Vol. 16 (Winter): 8-14.

Petrick. J. F, and S. J. Backman (2002). An Examination of the Construct of Perceived Value for the Prediction of Golf Travellers' Intentions to Revisit. Journal of Travel Research, Vol: 41(1): 38-45.

4.20 Services levels in Retail Shops Value of Goods and Services for Prices Charged
4.38 31 31 3.75 Availability of Facilities at Tourist Sites and Airports

About the Authors

Thuy-Huong Truong is currently a Doctoral Scholar associated with the Centre for Hospitality and Tourism Research at Victoria University, Australia. Her PhD research is titled "Holiday satisfaction in Vietnam_ Cultural Perspectives_". Her teaching and research interests lie in the fields of cross-cultural study, consumer behaviour, tourism marketing and management, and destination products.

Brian King is Professor and Head of the School of Hospitality, Tourism and Marketing and a Research Fellow with the Centre for Hospitality and Tourism Research at, Victoria University. His teaching and research interests lie in the fields of Asia-Pacific tourism, tourism-migration relationships and tourism, and hospitality marketing.

JOURNAL OF
H&T
www.johat.com

Exploring the Motivations and Travel Characteristics of Backpackers in Malaysia

Tze Ian Lee
University of Malaya, Malaysia
Ghazali Musa
University of Malaya, Malaysia

Abstract : Although backpackers' preference for cheap accommodation provides a convenient basis to differentiate them from the other tourists, it explains little about how backpackers might differ from one another. This paper explores the motivation and travel characteristics of backpackers in Malaysia. A study was conducted in 2005 wherein 403 self-administered questionnaires were distributed and 262 usable questionnaires were received. The results confirmed that this segment is indeed heterogeneous; backpackers pursued different activities, had different motivations and exhibited different destination choice behaviors. Statistical analysis further revealed a sub-segment comprising of older travelers with different preferences and characteristics. However, results were surprisingly robust in terms of what backpackers have in common with one another. This has practical implications for tourism stakeholders as they could focus their product offerings to a group of tourists with consistent sets of attributes. At the same time, stakeholders could address nuances in backpacker motivations through their service deliveries.

Keywords: Backpacker tourism, Motivations, Travel characteristics, Malaysia

Introduction

For a long time now, Malaysia has been a key stopover for the backpackers' journey through Southeast Asia. However, this segment of tourists receives little attention from the local policy makers because the backpackers' low budget, low impact methods of travel are thought to be inconsequential to the tourism industry here. A dearth of data and local publications on backpacker tourism has reinforced this perception. Instead, a key focus of tourism policies in Malaysia is to draw tourists from the "non-traditional" markets like the Middle East and China (EPU 2001). Although tourist arrivals and tourism receipts from these new markets saw strong growth, there is a declining pattern of tourist arrivals from the "traditional" developed economies in both absolute and relative numbers, vis-à-vis Singapore and Thailand. What this suggests is that tourism stakeholders in Malaysia need to find new ways to segment its "traditional" markets and identify niche segments so that the needs of these tourists can be better satisfied.

In an exploratory study of the international backpackers to Malaysia, Lee (2005) has uncovered that this segment of tourists is indeed significant and a high yield one. An estimated 300,000 foreign backpackers visit the country and contribute some RM 1.3 billion (USD 342 million) to Malaysia's Gross Domestic Product each year. On average, a backpacker spends RM 4,427 (USD 1,165) during his or her trip in Malaysia compared with the average tourist's expenditure of RM 1,888 (USD 496). This is more than twice the average expenditure of all tourists to Malaysia. Interestingly, this result is consistent with that of the Australian Tourist Commission (2004). By staying at hostels and guesthouses, a backpacker is able to cut down his expenditures on accommodation and stretch his budget to justify the longer periods of travel. Through his more extensive travels, a backpacker is also able to disperse the multiplier effect across a wider geographic area than the average tourist does.

Research Purpose and Significance

The main purpose of this study is to determine how international backpackers to Malaysia might differ from one another by exploring their motivations and travel characteristics. Specifically, the objectives of this study are:

(a) To examine backpackers' activities;
(b) To understand backpackers' motivations;
(c) To examine backpackers' destination choice behaviors; and
(d) To establish the relationships of these parameters against demographic variables.

Backpacker tourism is an area that is under researched in Malaysia. Existing works tended to explore the subject from a sustainability angle or the economic contribution by this group of tourists but little is understood about the backpackers in terms of their motivations and travel characteristics. In this respect, this study is timely and justified.

Literature Review

"Backpackers" is a term that is well known and accepted by the tourism industry in Australia, Southeast Asia and New Zealand. Loker-Murphy and Pearce (1995) defined backpackers as young and budget-minded tourists who exhibit a preference for inexpensive accommodation, an emphasis on meeting other people, an independently organized flexible itinerary, longer than brief vacations and an emphasis on informal and participatory recreation activities. Backpacker demographics have been fairly consistent in various studies of backpackers traveling in Australia (Jarvis 1994, Loker-Murphy and Pearce 1995, TNT Magazine 2003, Moshin and Ryan 2003), New Zealand (NZTB 1999), South Africa (Visser 2004), Southeast Asia (Riley 1988, Spreitzhofer 2002, Jarvis 2004) and global (Richards & Wilson 2003). Majority of backpackers would fall in the "20-30" age bracket, evenly distributed between males and females, highly educated, with a significant proportion possessing at least a degree. Most backpackers were also likely to come from Europe, with the UK constituting the largest market. For backpackers traveling in Southeast Asia, a typical route would start off in Bangkok, through South Thailand into Peninsular Malaysia and Singapore (or across to Sumatra) before hopping over to the Indonesian islands of Java and Bali and then on to Australia. The route may be reversed or could include side trips to Vietnam or the Philippines (Hampton 1998, Pearce 1990).

Although backpackers' preference for cheap accommodation provides a convenient basis to differentiate them from the other tourists, there is now consensus in literatures that the backpacker segment is not a homogeneous one. Backpackers' motivations are one such aspect that is highly differentiated. A rich source of literature exists to conceptualize tourist motivations; e.g. Dann's (1977) anomie and ego-enhancement to explain the "push" factors that are internalized in the tourist and Gray's (1970) concepts of sunlust and wanderlust to explain the "pull" factors of a destination. By and large, these theories are equally relevant in explaining backpacker motivations. However, there are some salient features that characterize the backpackers.

Due to their length and span of travels, backpackers would fall under the category of what Graburn (1983) described as rites-of-passage tourism (as opposed to annual vacation). Rites-of-passage tourists are found in conjunction with major changes in status such as adulthood, divorce or career changes. In other words, they are at a juncture in life and traveling gives them time to contemplate what they want to do with their lives (Riley 1988). This type of tourists, exemplified by the backpackers, also reflects a certain degree of cultural self-confidence in order for them to travel out of their familiar surroundings. Rather than deriving satisfaction found in confirming the expected and cognitively familiar, backpackers tend to value serendipity - the pleasure of coming across the exciting and unexpected (Graburn 1983). The ego-enhancement motives of backpackers also take a slightly different form here. Status among travelers is "based on length of time spent traveling, level of poverty while traveling and amount of discomfort experienced while traveling." This explains why "cheapness is essential" (Teas 1988). The less traveled route and more difficult way of getting there, the higher is the degree of mystique and status conferral (Riley 1988).

In Australia, Loker-Murphy (1996) revealed that not all backpackers had the same motive profile. Using Pearce's Travel Career Ladder as a framework, Loker-Murphy found four motive-based clusters suggesting that certain segments of the backpacker market are at a higher level in their travel career than others: Escapers/Relaxers, Social/Excitement-Seekers, Self-Developers and Achievers. She also reported that there were significant differences in cluster membership in terms of nationality, expenditure patterns, accommodation, activity structure preferences and destinations visited. Moshin and Ryan (2003) reported quite similar findings of backpackers in Northern Territory (Australia) using the push-pull motivation framework. The dominant push motives were to broaden knowledge about the world, to make new friends, preference of traveling lifestyle and self-testing, while the pull motives were advice of friends and relatives and a long desire to specifically visit Northern Territory.

Uriely, Yonay and Simchai's (2002) study of Israeli backpackers in India produced four main classifications of backpackers in type-related aspects. The first classification, "experimental and experiential backpackers", combined alienation from their own culture with the quest for meaning in "Others" according to their level of interaction in the local "center" while traveling. The second classification, "humanistic backpackers", included those who might seek meaningful experiences in the centers of other cultures without being alienated from their own. The third classification, "diversionary and recreational backpackers" referred to those who were mainly interested in pleasure-related activities. The fourth classification, "multi-type backpackers", had features of the other three classifications and was more evident in the case of 'serial backpackers' who pursued one backpacking trip after another. However, the study also indicated that the backpackers complied with most of the conventional form-related attributes of the backpacking ideology, for example, staying at inexpensive accommodations, traveling by public means of transportation that are used mainly by the local population, duration of travel and flexible travel plans.

Backpacker activities are also varied. Richards and Wilson (2003) reported that the common activities that backpackers pursued during their travels included visiting historical sites / monuments, walking / trekking, sitting in cafes / restaurants, shopping and visiting museums. However, activities were highly differentiated according to the destination visited. Beach activities were popular for those visiting Thailand, Greece, Australia, India and South Africa; wildlife and nature-based activities for those visiting Australia and South Africa while Egypt, Germany, China and Ireland were the main destinations for visiting historical sites. Richards and Wilson also noted significant differences in the activities undertaken by males and females and age groups. For instance, female backpackers were more likely to go walking or trekking, to participate in cultural events, to sit in cafes and restaurants and to shop than males. On the other hand, male backpackers were more likely to either watch a sport or participate in sports/ adrenaline activities. Younger travelers were more likely to visit nightclubs while the older travelers were more likely to participate in wildlife/nature observation activities.

Despite recent literature emphasizing backpacker heterogeneity, Cohen (2003) noted four possible differences that have not been systematically documented:

1. Differences between urban and rural enclaves in the degree of their demarcation, the kinds and nature of services provided and their functions in the backpackers' trip;

2. Differences among backpackers from different countries in the scope of their interactions with other backpackers (e.g. for some nationalities, they tend to restrict their interaction to their fellow countrymen);

3. Sub-cultural differences among backpackers (e.g. between the middle-class backpackers and backpackers of working class origins); and

4. Differences between young backpackers and those in older age groups.

These differences also pointed to a gap between backpacker theory and practice. While such a discrepancy is endemic in tourism studies, Cohen noted that it was particularly relevant in backpacker studies because the backpacker identity was more "ideology" loaded. The "ideology" that supposedly distinguished backpacking and mass tourism had become increasingly blurred. According to Cohen, a parallelism was developing between the two. For instance, the contemporary backpackers spent significant periods of time in various backpacker enclaves or on the road from one such enclave to the other. This was not unlike the mass tourists who moved from one tourist attraction to another.

Methodology

For the purpose of this study, the operational definition of a backpacker was taken to be one who had a preference for budget accommodation and who identified himself / herself as a "backpacker" or a "traveler". A quantitative survey was conducted from 1 January to 15 March 2005. Self-administered questionnaires were distributed to various backpacker hostels that were listed in the Lonely Planet guidebook or popular Internet hostel booking portals such as Hostelword.com and Hostelz.com. The questionnaire consisted of questions relating to identity, transportation, expenditure patterns, activities, information sources, motivations and personal attributes.

Quota sampling was adopted and assigned to the 4 main backpacking "hubs" in Peninsular Malaysia, namely Kuala Lumpur, Georgetown (Penang), Melaka and Kota Bharu (Kelantan). The reasons why these towns/cities were chosen are briefly described below:

- Kuala Lumpur (KL) being the capital city of Malaysia;
- Melaka being the transit point between Singapore and Kuala Lumpur and a key tourist town in the west coast;
- Penang being the northern gateway into Thailand; and
- Kota Bharu (KB) being the eastern gateway into Thailand and a base to the islands in the east coast.

A total of 403 self-administered questionnaires were distributed. 262 usable questionnaires were received, giving a response rate of 65.0%. Data were then analyzed using the SPSS Version 11. Motivation and activities variables were reduced using Factor Analysis. These factors were also tested for reliability (Cronbach alpha). Those factors with reliable scores were further recoded and analyzed using various statistical tests like chi-square (independent samples t-test) and one-way ANOVA (post-hoc) to determine if there were any statistical relationships with other variables.

Results

Demographic Profile

The sample in this study had a larger proportion of males (60.3%) than females (39.7%). The majority of respondents were young, with 71% of the sample under 30 years of age. The mean age was 29.2; the youngest being 17 and the oldest being 72. They were also well educated, with 66.1% possessing a degree qualification and above. In terms of nationality / region, the UK/Ireland/Scotland group constituted the largest group and accounted for 33.2% of the sample. By contrast, Asians, which account for a significant proportion of all tourists to Malaysia, was underrepresented here. (Please refer to Table 1).

Table 1: Demographic Profile of Respondents

DEMOGRAPHIC PROFILE		FREQ	%	% (Cum.)	MEAN	MIN	MAX
Gender	Male	158	60.3	60.3			
	Female	104	39.7	100.0			
	Total	262	100.0				
Age	≤ 20	25	9.5	9.5	29.2	17	72
	21 – 25	92	35.1	44.7			
	26 – 30	69	26.3	71.0			
	31 – 35	41	15.6	86.6			
	≥ 36	35	13.4	100.0			
	Total	262	100.0				
Education Level	Completed post-graduate	29	11.1	11.1			
	Some post-graduate	19	7.3	18.4			
	Professional qualification	40	15.3	33.7			
	Completed degree	85	32.4	66.1			
	Some Tertiary	43	16.4	82.5			
	High / Secondary School	46	17.6	100.0			
	Total	262	100.0				
Work Experience	> 20 years	19	7.3	7.3	8.04	0.0	60.0
	10 < x ≤ 20 years	45	17.2	24.5			
	5 < x ≤ 10 years	55	21.0	45.5			
	0 < x ≤ 5 years	123	46.9	92.4			
	0 year	20	7.6	100.0			
	Total	262	100.0				
Nationality	UK / Ireland / Scotland	87	33.2	33.2			
	Scandinavia	32	12.2	45.0			
	Europe (ex Germany & Scandinavia)	31	11.8	57.3			
	Canada	24	9.2	66.4			
	Australia / New Zealand	23	8.8	75.2			
	Germany	19	7.3	82.4			
	USA	18	6.9	88.9			
	Asia	17	6.5	95.8			
	Others	5	1.9	100.0			
	Total	262	100.0				

The demographic profile of the respondents in this study corresponded closely with previous studies on backpackers and youth travelers such as Jarvis (1994), Loker-Murphy & Pearce (1995), TNT Magazine (2003), Richards & Wilson (2003). However, the gender distribution tended to be more balanced in the other studies. The higher percentage of males in this study could be due to sampling bias when the survey was conducted..

Activities

The top five activities that backpackers did or intended to do while in Malaysia were: 'sitting in cafes & restaurants' (3.47), 'visiting historical sites & monuments' (3.21), 'shopping' (3.14), 'observing wildlife & nature' (2.53) and 'visiting museums & art galleries' (2.53). (Please refer to Table 2)

Table 2 : Descriptive Statistics of Activities

Activities	N	Mean	SD
Sitting in cafes, restaurants	262	3.47	0.961
Visiting historical sites & monuments	262	3.21	1.090
Shopping	262	3.14	1.199
Observing wildlife / nature	262	2.53	1.243
Visiting museums / art galleries	262	2.53	1.297
Hanging out on beach	262	2.51	1.237
Night clubs / Pubs / Bars	262	2.48	1.280
Trekking	262	2.25	1.245
Cultural events / performances	262	1.92	1.118
Sports / adrenaline inducing activities	262	1.74	1.081
Watching sports	262	1.37	0.833
Learning language / craft	262	1.32	0.746
Working as volunteer	262	1.13	0.467
Academic study	262	1.13	0.550
Working to earn money	262	1.05	0.285

(Measured by a 4-point Likert scale : 1 = Will not do, 2 = Probably will do, 3 = Definitely will do and 4 = Already done)

From the list of 15 activities, 5 activities component were extracted using Factor Analysis. Barlett's Test of sphericity was significant ($\chi^2 = 590.326$, df = 105, p = 0.001) and Kaiser-Meyer-Olkin measure at 0.683 was adequate for the sample. The 5 components were outdoors, learning, history & culture, shopping and clubbing, with 56.445% of the total variance explained through the rotation sums of squared loading. Reliability test showed moderate internal consistency for the overall scale (Cronbach's Alpha, $\alpha = 0.688$) and on 4 of the components: 'outdoors' ($\alpha = 0.662$), 'learning' ($\alpha = 0.535$), 'history & culture' ($\alpha = 0.540$) and 'shopping' ($\alpha = 0.561$). However, consistency was weak on the fifth factor, 'clubbing' ($\alpha = 0.261$), and was excluded in subsequent analysis. (Please refer to Table 3).

The factor scores were further analyzed using t-test (independent samples) and ANOVA (one-way) test to determine if there were any difference in the mean scores among gender, nationalities and age groups. T-test results showed that there was no significant difference in the mean scores for the "activities" factors between males and females. ANOVA test result also did not show any significant difference in the mean scores among the nationalities. However, ANOVA test showed that difference in the mean scores was significant for the 'outdoor' factor between the age groups ($F = 2.786$, $p = 0.027$). Post-hoc tests (with Tukey's equality variance assumed) revealed that the difference in mean scores between the '26 - 30' ($\mu = 9.8696$) and the 'over 36' ($\mu = 7.8857$) age groups was significant ($p = 0.037$).

Table 3: Principal Component Factor Analysis of Activities

Activities Variables	**Activities Component**				
	Outdoor	*Learning*	*History & culture*	*Shopping*	*Clubbing*
Trekking	0.774				
Observing wildlife / nature	0.690				
Sports ' adrenaline inducing activities	0.670				
Hanging out on beach	0.563				
Academic study		0.734			
Learning language / craft		0.727			
Working as volunteer		0.554			
Working to earn money		0.447			
Visiting museums / art galleries			0.863		
Visiting historical sites & monuments			0.736		
Cultural events / performances			0.395		
Shopping				0.831	
Sitting in cafes, restaurants				0.738	
Night clubs / Pubs / Bars					0.740
Watching sports					0.596
Cronbach's Alpha	**0.662**	**0.535**	**0.540**	**0.561**	**0.261**

Varimax with Kaiser Normalization (Total Variance Explained: 56.445%)

It can be inferred here that the older group had a lesser tendency to participate in the more physical 'outdoor' activities compared with the younger group. This result seemed to suggest that even within the backpacker segment, a sub-segment comprising of older and more matured travelers exists.

Travel Motivations

The top five motivations for backpackers to visit Malaysia were: 'to experience a new and different place' (μ =4.23), 'to enjoy the country's environmental settings' (μ =4.01), 'to meet and interact with the local people' (μ =3.99), 'to relax' (μ =3.95) and 'to seek adventure and pleasure' (μ =3.92). (Please refer to Table 4)

From the list of 20 motivation variables, 5 components were extracted using Factor Analysis. Barlett's Test of sphericity was significant (χ^2 = 1680.592, df = 190, p = 0.001) and Kaiser-Meyer-Olkin measure at 0.851 indicated that factor analysis was appropriate for the sample. The 5 motivation factors were prestige, escape, culture, excitement and education with 57.536% of the total variance explained. Reliability test showed strong internal consistency for the overall scale (Cronbach's Alpha, α =0.872) and on the 'prestige' (α =0.811) and 'excitement' (α =0.722) factors. Internal consistency was moderate for 'escape' (α =0.572), 'culture' (α =0.661) and 'education' (α =0.661). (Please refer to Table 5)

Table 4: Descriptive Statistics by Motivation Statements

Motivation Statements	N	Mean	SD
Experience new & different place	262	4.23	0.935
Enjoy country's environmental settings	262	4.01	0.935
Meet & interact with the local people	262	3.99	0.766
Relax	262	3.95	0.948
Adventure & pleasure	262	3.92	0.954
Improve knowledge of country's history & culture	262	3.87	0.837
Escape day to day routines of life	262	3.74	1.142
Do exciting things	262	3.73	0.974
Offers value for money	262	3.53	0.977
Recreation & entertainment	262	3.48	0.954
A country in Southeast Asia that I ought to visit	262	3.41	1.035
Experience a simpler lifestyle than back home	262	3.22	1.234
Reevaluate & discover more about self	262	3.19	1.284
Free to do as I wish in a foreign place	262	3.10	1.283
Mix with fellow travelers	262	3.07	1.107
Tell friends about my travel experience	262	3.05	1.201
Spend time with people that I care deeply about	262	3.02	1.273
A talked about travel destination	262	2.87	1.035
Fulfill a life long dream	262	2.87	1.145
Many of my friends have not visited	262	2.66	1.227

(Measured by a 5-point Likert scale: 1=Strongly disagree, 2=Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree)

Table 5: Principal Component Factor Analysis of Motivation Statements

Motivation Variables Motivation Component

Motivation Variables	Motivation Component				
	Prestige	*Escape*	*Culture*	*Excite*	*Edun*
Many of my friends have not visited	0.799				
Tell friends about my travel experience	0.776				
Mix with fellow travelers	0.691				
Reevaluate & discover more about self	0.641				
Fulfill a life long dream	0.507				
A talked about travel destination	0.498				
Relax		0.683			
Spend time with people that I care deeply about		0.661			
Escape day to day routines of life		0.565			
Free to do as I wish in a foreign place		0.458			
Improve knowledge of country's history & culture			0.811		
Enjoy country's environmental settings			0.686		
Meet & interact with the local people			0.652		
Do exciting things				0.789	
Recreation & entertainment				0.706	
Adventure & pleasure				0.605	
A country in Southeast Asia that I ought to visit					0.691
Offers value for money					0.625
Experience new & different place					0.577
Experience a simpler lifestyle than back home					0.419
Cronbach's Alpha	**0.811**	**0.572**	**0.661**	**0.722**	**0.661**

Rotation Method: Varimax with Kaiser Normalization (Total Variance Explained: 57.536%)

Motivation factor scores were analyzed to determine if there were any differences in the mean scores between gender (using independent samples t-test), nationalities and age groups (using one-way ANOVA). Results showed that there was no significant difference in the mean scores between gender groups and among nationality groups. However, ANOVA test results showed significant difference in the mean scores for the 'excitement' motivation factor among the age groups ($F = 3.532$, $df = 4$, $p = 0.008$). Post hoc tests using Tukey's assumption of equal variance revealed a clear cut separation in mean scores between the 'over 36' and younger age groups. This finding seems to reinforce earlier suggestion of an older and more matured sub-segment. (Please refer to Table 6)

Table 6: Age groups vs. Excitement Motivation Factor Scores

Age Group	N	Mean Score (I)	Mean Score (J)	Mean Difference (I – J)	Sig.
≥ 36	35	9.8286			
≤ 20	25		11.4800	-1.6514*	0.045
21 – 25	92		11.4022	-1.5736*	0.005
26 – 30	69		11.3478	-1.5193*	0.012
31 – 35	41		11.0732	-1.2446	0.122
Total	**262**				

* Mean difference is significant at .05 level

Destination Choice Behaviors

Responses of samples taken at the various survey locations, i.e. Kuala Lumpur (KL), Melaka, Penang and Kota Bahru (KB) reflected destination choices already made. With the exception of the Penang sample, the majority of the respondents were on their first visit to Malaysia. For 58.6% of the respondents from the Penang sample, this was not their first visit to Malaysia.

Independent samples t-tests performed on these location samples showed that there were significant differences among them in terms their entry points into Malaysia and their exit points. (Please refer to Tables 7 and 8 respectively). Predictably, respondents from the KL sample would tend to enter Malaysia via the main airport gateway at the Kuala Lumpur International Airport (KLIA) (45.5%). Likewise, those from Penang and Melaka would tend to enter the country via Thailand (55.6%) and Singapore (60.3%) border checkpoints respectively. However, it was surprising to note that 52.6% of the respondents from the Kota Bharu (KB) sample used the KLIA rather than overland via Thailand (42.1%), despite its proximity.

In terms of exit points from Malaysia, 50.0% of the KL sample used the KLIA, 40.7% of the Melaka sample used the Malaysia-Singapore border checkpoint and 62.5% of the Penang sample used the Malaysia-Thailand border checkepoint. In an abrupt reversal, 70.0% of the KB sample exit Malaysia overland via the Malaysia-Thailand checkpoint. The high percentage among the KB sample who entered the country using the KLIA and exit via Thailand suggest that this group of travelers were quite specific in their travel routes.

Table 7: Location samples - Entry Points Cross-tab

Location Sample	M'sia-Thai	M'sia-S'pore	KLIA	Total	% of sample
KL	17.9%	36.6%	45.5%	100.0%	
Melaka	20.6%	60.3%	19.0%	100.0%	
Penang	55.6%	22.2%	22.2%	100.0%	
Kota Bahru	42.1%	5.3%	52.6%	100.0%	
All sample	24.4%	38.6%	37.0%	100.0%	

(π^{2} 2=42.414,df=6,p=0.000)

Table 8: Location samples - Exit Points Cross-tab

Location Sample	M'sia-Thai	M'sia-S'pore	KLIA	Total	% of sample
KL	20.8%	29.2%	50.0%	100.0%	
Melaka	27.8%	40.7%	31.5%	100.0%	
Penang	62.5%	25.0%	12.5%	100.0%	
Kota Bahru	70.0%	5.0%	25.0%	100.0%	
All sample	30.6%	29.3%	40.1%	100.0%	

(π^{2} 2=39.580,df=6,p=0.000)

Although it would be premature to conclude any definite movement patterns here, the results do provide some clues that could be used for future studies. For instance, indications seemed to suggest an overland route from Singapore to Thailand along the west coast of Peninsular Malaysia and an overland route to Thailand via the east coast through the central region. The results also seemed to agree with Jarvis' (2004) contention of the "holiday backpacker" traveling for shorter periods and often on very specific routes. The KB sample seemed to reflect this.

T-tests performed for the 4 location samples against demographic variables like gender and nationalities did not show any significant differences. However, ANOVA test showed that there was a significant difference in the age profiles among the 4 location samples ($F = 3.669$, $df = 3$, $p = 0.013$). (Please refer to Table 9)

Table 9: Mean Age of Location Samples

Sample	N	Mean Score (I)	Mean Score (J)	Mean Difference (I – J)	Sig.
Penang	29	34.59			
KL	149		29.02	5.57*	0.029
Kota Bahru	20		28.45	6.14	0.141
Melaka	64		27.41	7.18*	0.007
Total	**262**				

* Mean difference is significant at .05 level

In general, the respondents in the Penang sample tended to be older and more experienced travelers. A possible explanation for this could be because Penang served as an administrative stopover for the more seasoned backpackers who were planning on an extended trip in Thailand. They would do so by first exiting Thailand, traveling around Malaysia and then re-entering Thailand for further travels in that country. Earlier results of high proportion of repeat visitors and entry-exit using the Malaysia-Thailand checkpoint among the Penang sample seemed to support this hypothesis.

Mean motivation factor scores for the 4 location samples were analyzed using ANOVA to determine if there were any significant differences among them. No significant differences were noted for 'escape', 'education' and 'prestige' factors. However, the differences were significant for the 'excitement' ($F = 4.402$, $df = 3$, $p = 0.005$) and 'culture' ($F = 2.944$, $df = 3$, $p = 0.034$) motivation factors.

(Please refer to Tables 10 and 11 respectively).

Table 10: Location Sample vs. Excitement Motivation Factor Scores

Sample	N	Mean Score (I)	Mean Score (J)	Mean Difference (I – J)	Sig.
Penang	29	9.7931			
Melaka	64		10.9844	-1.1913	0.090
KL	149		11.4027	-1.6096*	0.003
Kota Bahru	20		11.5500	-1.7569*	0.040
Total	**262**				

* Mean difference is significant at .05 level

Table 11: Location Sample vs. Culture Motivation Factor Scores

Sample	N	Mean Score (I)	Mean Score (J)	Mean Difference (I – J)	Sig.
Melaka	64	12.4063			
KL	149		11.5973	0.8089*	0.029
Penang	29		11.7931	0.1958	0.494
Kota Bahru	20		12.3000	0.7027	0.428
Total	**262**				

* Mean difference is significant at .05 level

For the 'excitement' factor, the Penang sample scored the lowest (μ =9.7931), particularly when compared with the Kuala Lumpur (KL) and Kota Bharu (KB) samples. This result was consistent with earlier results on the age profile of the Penang sample and the relationship between age and 'excitement' motivation factor.

For the 'culture' motivation, the Melaka sample scored the highest (μ =12.4063). This did not come as a surprise considering the strong association of Melaka with history and culture. However, it is unclear if this was an inherent motivation of the backpackers. As Melaka is neither a key transportation hub in nor out of the country, it is unlikely for Melaka to be the sole destination in Malaysia for the backpackers. Hence, it is possible that the location factor itself could have influenced the way the respondents filled up the survey questionnaire

Conclusions and Recommendations

This study set out with a premise that the backpacker market might be more complex than the basis of accommodation choice alone. By and large, it has confirmed this hypothesis by exploring the activities, motivations and destination choice behaviors of backpackers in Malaysia. Backpackers' activities may be grouped along 5 factors, namely, outdoors, learning, history & culture, shopping and clubbing factors. Backpackers' motivations may be grouped into prestige, escape, culture, excitement and education factors. Differences also exist in the destination choice behaviors of backpackers in the places that they visited and how they got there. More significantly, this study has revealed from statistical analysis, the presence of a sub-segment comprising older and more matured travelers. The older backpackers pursued different activities, had different motivations and destination choice behaviors than the younger backpackers.

Results from this study, as well as other studies, have confirmed that the backpacker segment is indeed a heterogeneous one. However, the results from this study demonstrated a certain degree of robustness in terms of what backpackers had in common with one another. Statistical analysis did not reveal any significant differences of the variables in question between genders or among the nationality groups. Within limitations of the study, it is reasonable to conclude here that backpackers, apart from their preference for cheap accommodation, also shared certain attributes that were fairly consistent.

This has practical implications to tourism stakeholders particularly, the supply side industry entrepreneurs, because it would enable them to provide a set of consistent product offerings that meet the basic needs of backpackers. It would be uneconomical for the entrepreneurs to provide a myriad of product offerings to cater to sub-segments of backpackers whose differences are intangible and difficult to discern. After all, the key features in market segmentation strategies are that the target market must be identifiable, distinguishable and sufficiently large for it to be viable.

Nevertheless, stakeholders would be ignoring these differences at their own peril. We would argue here that stakeholders could improvise in their service deliveries to meet the needs of these backpacker sub-segments. For instance, differences in age groups among the backpackers warrant different promotional strategies in order to reach out to the intended audience. Insights on nuances in backpacker motivations could also help stakeholders to personalize their service approaches according to the individual backpacker.

Backpacker tourism is invariably an emerging area in tourism research and an area that is still relatively un-researched among local academia and tourism planners in Malaysia. There is a need to progress beyond abstract concepts to more empirical validation from a home country perspective. One possible area for future research could be a study into the spatial travel patterns of backpackers in Malaysia and Southeast Asia. The significance of such a study is that tourism planners could benefit from understanding not only the transportation choice considerations of backpackers but also in their destination selection process. This in turn would enable tourism planners of second tier destinations like Sabah and Sarawak to position their states to attract the backpackers. As noted in Riley (1988) and Cohen (1972), the roles played by the backpackers in spearheading mass tourism cannot be underestimated and these states have much to gain by them. Further research could contribute to the global understanding of the backpacker phenomenon.

References

Australian Tourist Commission (ATC) (2004). The backpacker market fact sheet May 2004. [On-line] Available from http://atc.australia.com

Cohen, E. (1972). Towards a sociology of international tourism. Social Research, 39, 164-182.

Cohen, E. (2003). Backpacking: Diversity and change. Tourism and Cultural Change, 1, 95-110

Dann, G. (1977). Anomie, ego-enhancement and tourism. Annals of Tourism Research, 5, 184-194.

Economic Planning Unit (EPU) (2001). Eighth Malaysia plan (2001-2005). Kuala Lumpur: Percetakaan Nasional Malaysia Berhad.

Graburn, N.H.H. (1983). The anthropology of tourism. Annals of Tourism Research, 10 (1), 9-33.

Gray, J.P. (1970). International travel - International trade. Lexington Heath: Lexington Books

Hampton, M. P. (1998). Backpacker tourism and economic development. Annals of Tourism Research, 25 (3), 639 - 660.

Jarvis, J. (1994). The billion dollar backpackers: The ultimate fully independent tourists. PhD Dissertation. Australia: Monash University.

Jarvis, J. (2004). Yellow Bible Tourism: Backpackers in Southeast Asia. In Brad West (ed.) Down The Road: Exploring Backpackers and Independent Travel. Australia: API Network.

Lee, T.I. (2005). Uncovering the international backpackers to Malaysia: A tourism market segment study. Unpublished MBA theses. Kuala Lumpur: University of Malaya

Loker-Murphy, L and Pearce, P.L. (1995). Young budget travelers: Backpackers in Australia. Annals of Tourism Research, 22 (4), 819-843.

Loker-Murphy, L. (1996). Backpackers in Australia: A motivation-based segmentation study. Journal of Travel & Tourism Marketing, 5 (4), 23-45.

Moshin, A. and Ryan, C. (2003). Backpackers in the Northern Territory of Australia: Motives, behaviors and satisfactions. International Journal of Tourism Research, 5 (March), 113-131.

New Zealand Tourism Board (NZTB) (1999). Understanding New Zealand's Backpacker Market. [On-line] Available from http://www.tourisminfo.co.nz

Pearce, P.L. (1990). The Backpacker Phenomenon: Preliminary Answers to Basic Questions. Townsville: James Cook University of North Queensland

Pearce, P.L. (2005). Sustainability research and backpacker studies: Intersections and mutual insights. Paper presented at the ATLAS Backpackers SIG Meeting, Kasetsart University, Bangkok.

Richards, G. and Wilson, J. (2003). Today's Youth Travellers: Tomorrow's Global Nomads. New Horizons in Independent Youth and Student Travel. A report for the International Student Travel Confederation (ISTC) and the Association of Tourism and Leisure Education (ATLAS). Amsterdam:

ISTC

Richards, G. and Wilson, J. (2005). Suspended reality: An exploration of enclaves and the backpacker experience. Paper presented at the ATLAS Backpackers SIG Meeting, Kasetsart University, Bangkok.

Riley, P.J. (1988). Road culture of international long-term budget travelers. Annals of Tourism Research, 15 (3), 313-328.

Spreitzhofer, G. (2002). The roaring nineties: Low-budget backpacking in Southeast Asia as an appropriate alternative to third world mass tourism?. Asien, Afrika, Lateinamerika, 30, 115-129.

Teas, J. (1988). I'm studying monkeys: What do you do? Youth travelers in Nepal. Kroeber Anthropological Society Papers, Nos. 67-68, 35-41.

TNT Magazine & Student Uni Travel (2003). Backpackers uncovered January 2003. [On-line] Available from http://www.tntmagazine.com/au

Uriely, N., Yonay, Y. and Simchai, D. (2002). Backpacking experiences: A type and form analysis. Annals of Tourism Research, 29 (2), 520 - 538.

Visser, G. (2004). The developmental impacts of backpacker tourism in South Africa. GeoJournal, 60 (3), 283-299.

About the author

Tze Ian Lee has an MBA from the University of Malaya and an MA in Southeast Asian Studies from the National University of Singapore. He is currently pursuing his Ph.D. research on the spatial analysis of backpacker tourism in Malaysia at the Department of Geography, Faculty of Arts and Social Sciences, University of Malaya.

Ghazali Musa is a lecturer at the Department of Marketing and Information Systems, Faculty of Business and Accountancy, University of Malaya. He is a qualified medical practitioner and has a Ph.D. in tourism studies. Among his main research interests are health, high altitude and SCUBA diving tourism.

JOURNAL OF
H&T
www.johat.com

Eco-tourism as a brand development strategy for Jiexi County - strategic issues and challenges

ZHANG Mu
Department of Tourism Management,
Shenzhen Tourism College of Jinan University, Guangdong, China

ZHANG HAN-Yu
Department of Tourism Management,
Shenzhen Tourism College of Jinan University, Guangdong, China

Abstract: Jiexi County, situated at the northeast of Guangdong Province, belongs to an underdeveloped district. The local government makes great efforts to develop tourist industry for getting new economic growth field. At the same time, the eco-tourism brand development strategy is put forward in order to act together in harmony with the construction process of National ecology Demonstration County. By way of inspecting on the spot in Jiexi County, it is obvious that Jiexi County is a rising tourist destination but with unsubstantial original foundation. So, Jiexi County needs make exigent demands on the eco-tourism brand building to meet the intense tourist industry competition in Guangdong Province. Synthetically analysis and research have been carried on to the tourist brand creation guided by the method of Means-end chain theory. Finally, the Eco-tourism as a brand development strategy of Jiexi County has been put forward.

Key words: Eco-tourist destination, Tourist brand, Development strategy

Introduction

The brand sometimes means the image of enterprise and product, in other words it is a sign of indicator of concision but elegant design. The brandization is one way to make one or a series of products to be differing from the other product of competitor.

Keller, professor of Fuqua school of Business of Duke University in the United State, points out that the geographic location or spatial area can become the brand similar to the product and person in his book "management of strategy brand", and he believed that this is the customer based brand-equity that the enterprise possesses. In this situation, the brand name is securely jointed with the special geographic position. In the intense competing tourist market around the world, more and more countries or destinations take pleasure in adopting the brand technology to create tourist image and differentia so that to distinguish the other tourist destinations. It means the brandizations of the geographical district are applied in the different spatial area such as nation, city as well as district etc. There are more successful cases in this field in the world, such as the "New Asia" of Singapore, "Asia international bigalopolis" of Hong Kong and in the homeland of China, the "Dream of Jinagsu" of Jiangsu province, "Love city" of Hangzhou city etc. Through the spot survey at Jiexi County, this paper mainly discusses the following questions such as the eco-tourism development, destination brand building and the brand development strategy.

1. Description of Study Area

Jiexi County is a famous mountain area county in the east of Guangdong Province and one part of the coastal open area. Its geographical position is in the coastal central section of East Guangdong and locates the peripheral district around the Chaozhou and Shantou city, where there is convenient transportation to link with all cities of the Pearl Delta and it usually takes the bus journey just within 3 hours from Jiexi to the above cities. Along with developing further of local economy, the inside and outside traffic network will raise the grade higher and it also could provide the superior transportation condition for the tourist industry.

The main landuse type is mountainous region and its area occupies 84.9% of total land area in whole county. The landform is look like a ladder, in where the mountain in the west, the foothill in the middle and the plain in the east. Here the subtropical zone monsoon climate is common and keeps the air temperature at 21.1°C (Celsius) average level throughout the year. And it also has abundant rainfall, sufficient light and heat. The climate conditions with long summer and short winter are good for the tourist get recreation and spend holiday.

The tourist industry in Jiexi County is just start and in early stage. Now the local government pays more attention to development tourist industry and gets some achievement in the tourist resource exploitation and the tourist market development Since 1998, the propagandizing for tourism have got improvement step by step, the main result is the tourist reception quantity keep steadily raise. The tourist quantities to visit Jiexi County increases up to 22.5% annually (see the Table 1) form 1998 to 2001.

Table 1. Tourist reception quantity in Jiexi County

year	Total tourists quantity(ten thousand peoples)	Increase rate (%)
1998	15.5	--
1999	21.3	37.4
2000	28.1	31.9
2001	28.5	1.42

The group tourist going to Jiexi start in 1998 since the Dayang Golf recreation zone and the Shanshan King's temple had been designed to market through the travel agency and the news media. The tourist quantities amount to 600 person in 1998. Later the respectively receives tourist group up to 2100 and 3100 person in 1999 and 2000. That means there are abundant various tourist resources in Jiexi County but the high-quality sight spot with require establishment have less in whole county. Recently the new sight spot have been developed and open to the tourist after the Dayang Golf recreation zone and Longshan beauty spot. Form 1988 to 2001, the visitor's number annual average increases up to 25.6% in the sight spot (See the Table 2).

Tab.2 the reception status of the sight spot in Jiexi

year	reception tourist quantity in destination (ten thousand peoples)	Increase rate (%)
1998	13.3	----
1999	19.6	47.36
2000	25.6	30.6
2001	26.2	2.3

At present, the visitor source market of Jiexi County is highly concentrated in the area of Chaozhou and Shantou, Pearl Delta and Fujian province etc and the occupies receiving 86% of the total tourists. Among above area, the Chaozhou and Shantou have population about 13000000, the Pearl Delta have more than 30000000 people, add to the potential tourist source of Fujian province, Hong Kong, Macau and Taiwan, all these compose the main tourist development target market of Jiexi.

According to the principles such as the cause of formation, leading factor and utilization level etc. of the eco-tourist resources, in Jiexi County it can be divided into three types, namely natural eco-tourist resources, man-made eco-tourist resources and the conservation eco-tourist resource (See the table 3).

Tab.3 the ecologic tourist resources types in Jiexi county

natural eco-tourist resources	land eco-tourist resources	Longshan mountain、Guangde Taoism site、Shiling archaic temple、Shiduxi moraine site
	water eco-tourist resources	Huangmanji waterfall group、longtan waterfall
	agricultural eco-tourist resources	Jingming tea garden、Longyuan high-tech agricultural demonstration garden、Jinghe agricultural sightseeing region
man-made eco-tourist resources	folk-custom eco-tourist resources	Hakka falk-custom 、Dayang mountain Golf tour area
conservation eco-tourist resources	legal reservation eco-tourist resources	Dabeishan Mountain forest park

Jiexi has a top-grade waterfall, Huangmanji waterfall, in the southeast of China, as well as near hundred natural and humanity landscapes such as "Dabeishan Mountain forest park" etc. Moreover, there still have some more tourist resources of the humanity historic site in Jiexi County, including the ancient Shangshan King's temple, India ancient rock, Hepo ancient Buddhist pagoda, ancient town of Cotton Lake and Yunlin ancient building etc. The overall survey for tourist resources of Jiexi County had been done organized by Tourism Bureau of Guangdong before. The main investigation result, recorded at «Tourist development overall plan of Jiexi County», is that the Jiexi County is a suitable eco-tourist destination with abundance tourist resources. In this special issue, there are over 180 landscapes inside the county, including 35 main landscapes, 12 underground hotspring and more than 40 historic sites.

Since 2001, Jiexi County has been placed into the list of "National Ecology Demonstration County" and "Tourist Aid-the-poor program Demonstration County in Guangdong Province", so the local government decided to develop tourist industry and create eco-tourism brand.

Literature Review

The Judd (1995) studied the modeling destination brand about many United States cities; Tazim and Donald (1995) as well as Fagence (1996) analyzed the cooperation theory application in the regional tourist planning; The policy and management factor in the regional tourist cooperation has been analyzed by James (1997), Bramwell and Sharman's (1999). Gnoth (1998, 2002) believed that since the tourist destination attractions have their particular attribute for distinguish form the other destinations, so the destination brandization should be create the brand of the main attractions first. Hall (1999) points out that the core target of the destination brand is to "creates one kind of harmonious and concentrated communicative tactics" ; Crockett and Wood (1999) takes west Australia for study area, and explains the brand constructing process form the application point of view and summarized several important principle for it. They considered the image of destination just one part of the brand management and a unitive brand of destination should be established through the different market sale promotion. Philip Kotlers etc (1999) indicated that the good destination brand should be set up first when promote tourist industry. Buharris (2000) put forward the market problems attend by the tourist destination developed; Liping A. Cai (2002) point out that the tourist destination brand always has close relations to their geographical name so that it is different form the common product and service, and he still do a subject research to the village tourist brand. Peter A kerhielm (2003) analyzed the significance of implement tourist brand strategic according to the Europe integration background.

Also a lot of researches discussed the brand construction in different type of scenic spot or destinations in China. Wang Xinzhu (2000) studies the culture brand construction of a world water and electricity city that combines the Yangtze three-gorge project; Nie Xianzhong (2000) believed that the brand building is very important to the tourist development base on the attraction and tourist behavior in Hangzhou. Yao Zuowei (2001) analyzed the progress about tourist brand and compared the tourist brand with other brands; Li Yan and Xiong zhiwen (2001) compared the difference brand image among different destinations base on the research about destination image by Li Leilei (2000),and put forward the system course of brand construction, and Li Yan (2001)also put forward the brand support for the tourist production development Xu Qiling and Chen Hongju (2001) discussed the way of the tourist service brand creation according to the tourist service particularity. Fei Zhenjia (2001) analyzed the special issue about the destination brand market sale with the case of Wu Dangshan Mountain. The particularity of tourist brand, growth progress and design course had been analyzed by Wang Song and Han Zhenhua (2001). Peng Jie (2001) explained the brand effect of center city as well as how to combine the brand marketing with the city growth. Li Shumins etc (2002) put forward the destination conceptive and design the approach. Yang Mingduo and Zheng Chao (2002) has carried on analysis to the tourist industry brand management; The Wei Xiaoan (2002) discussed the China tour development course of destination with the living example; The Cui Fengjun (2002) inquired into the China traditional tourist innovation of destination and the development question; Deng Hui and Lu Weixing put forward the layer structure system composed by main production, showpiece production, brand production and new production. Fanbing (2003) discussed the characteristical creation of the destination brand with the case study of Shangri-la. Zhang Ying (2003) analyzed the tourist brandization of destination; Liang Minli (2004) pointed out the problems occurred in Zhangjiaji tourist zone and put forward the frame of the eco-tourist brand construction.

From above available research, it obvious that the synthetical analysis of destination based on the tourist image of the destination. In other words, the destination brand has close relations to the destination's tourist image. The research of abroad scholars chiefly concentrated at constructing of tourist destination brand and usually analyzed the destination brand management used demonstration method. And the research of Chinese scholars appears the several characteristics listed following: (1) the tourist brandization marketing attract more and more attention under the intense tourist market competing; (2) mining cultural characteristic and the strengthening tourist cognition to the destination brand become the common understanding of scholars; (3) the destination creation and sale marketing are laid special emphasis on the analysis lately.

Methodology

Form the tourist point of view, the tourist product contains three kinds of knowledge: (1)the indication of the product attribute and feature; (2)the positive result or harvest from use tourist product;(3)the particular product value that contributes to consumer's satisfaction or reaches up their tour purpose. The above product knowledge formed a simple association communication network "Means-end chain". Actually it is a knowledge structure in which the knowledge about the tour product and consumption effect and value are tight connected (See the Figure 1).

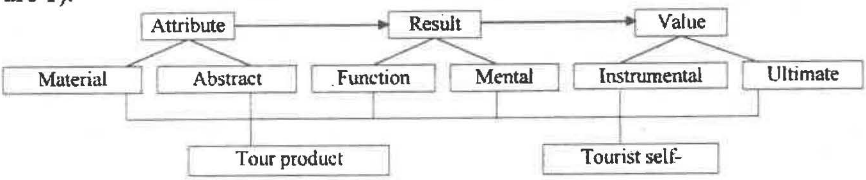


Fig.1 Structure of Means-end

The Means-end chain is composed by tour product attribute, result and value. In this method, tourist use individual apperceive to appraise the stand or fall for some or other tourist product. Generally speaking, tourist always take attributes of tour product look as a means of getting such special purpose such as looking for exciting, being a venture and being novel or extraordinary. Different tourists may have different Mean-end chain to identical tour product or brand. So it useful to develop mountain tour product if understand the tourist's perception rule to the product. The structure of Means-end chain of Jiexi County is shown like figure 2.

Form the figure 2, the attribute restriction means product's specific property or attribute and is useful to regulate the direction of the eco-tourist development of Jiexi County. The most basic attributes here are subtropical mountainous landscape and mountain Golf recreation vacationland. The main purpose is to view and admires mountain landscape and takes a holiday for those tourists who want to visit Jiexi County. Since there are a long distance to the central cities such as Guangzhou and Shenzhen, which needs the car journey near 5 hours and the visitor generally can not go there and back home in one day. So the product should be designed as 2-3 days tour.

The benefit restriction appeared when tourist assess and approve the tour product. Generally visitor has two kinds of results of the tour products use, namely function and mentality. The function result is a positive result feeling of tour consumption when some people had an agreeable sightseeing in the mountain and forest park in Jiexi County. Mentality result is an all-around result occurred in the tourist's mind. The reception service quality, the enrichment of the cultural meaning and landscape self-value all can produce big influence to visitor's mentality.

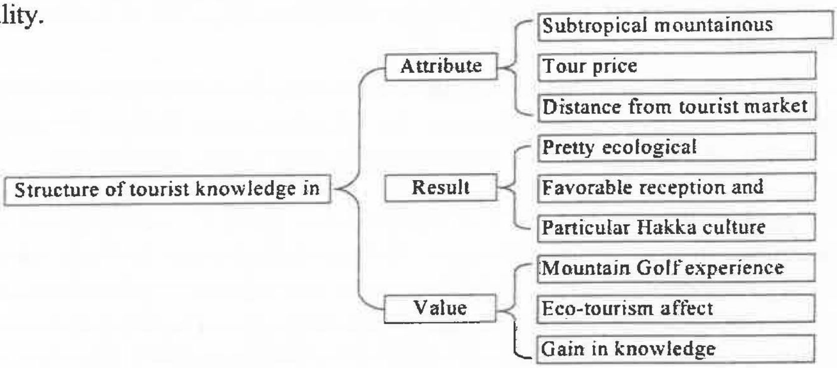


Fig.2 Map for the knowledge of tourism production in Jiexi

The value restriction is a kind of person's life objective such as getting success, being safety etc., also it means the feeling or emotion accompanying successfully and usually is divided into two types, namely instrumental value and ultimate value. The former is the action model or action method such as has a good time, action independence, the good self-expression etc. The latter is the mentality state including happy, successful and excite. These two values reflected the perception result relation to the tourist. The mountain Golf and Karting racing both make tourist happy and exciting and can breathe fresh air in Dayang holiday vacationland. In the other site, the good air quality and more charming scenery all can bring up comfortable feelings. The tourist still can learn through practice to the colorful Hakkas and Chaozhou civilization. All these means a good journey to visit Jiexi County.

Findings

In accordance with the above discussing, it indicates that the tourist administrator of Jiexi County should consider the tourist requirement when develop or design tour product. So the more sale marketing should be done through adjusting different part knowledge of the Means-end chain in tourist's mind, including product attribute, result in function and mentality, purpose and value of individuation, that the eco-tourism brand and marketing model could be set up and satisfied for the market requirement.

The combination of the eco-tourism brand building and tourist's experience

From the tourist's point of view, the products which produced and sold by tour enterprise are one kind of experience and this result from the real tour when tourist directly observe or participate in tourist destination. In other words, the tour experience is a result that occurred in the role interaction between tourist individual and tourist object, such as tour attractions, installation, service and person etc.

The tour means a kind of recreation and leisure activity in nature, just like the other product consumption activity but it has enjoyment feature. To escape the reality, go through strange environment and meet with different person or immerses in the relax circumstance, all these can become good purposes for tour product development. The tour experience marketing means the main destination information should be transferred to the potential tourist and makes them keep this information in mind. When they want to take a tour they would select a destination associated with the original impression about it. The destination brand building must understand the major motive that tourist pursued. The satisfied degree of the tour experience covered three levels, even as the research finished by GNOTH (1998), function, experience and symbol. The function means the core interest of tour product or service, and indicates the means and basic effectiveness of satisfied for tourist. The experience contacted the perception of tour and is inclined to in experience or illusion that the tour product brought; and symbolic is contacting to give tourist all meanings when they participate activity in the tour in which making them appreciated most.

According to the tourist's tour experience, the building, marketing and propagation of tourist destination brand also can be made from above three levels. The attractions of any destination all possesses its selves unique attribute and it useful for forming competition dominance and recognizable. There are three criterions to select tourist attraction, usually contain the competitiveness, exclusiveness and recognizable and base on it the peculiarity of the attractions could be abstracted. These attributes is growth from the interaction between the local people and surround environment. The tourist know well about these attributes which would come into being one kind of important experience about the destination and finally they would become the attribute characteristic of the destination brand The personification term can be used to describe these attribute characteristic and this would strength the tour attraction of the destination.

Tourist who ever visit New Zealand would get a special experience about the island weather, sheep industry and outdoor wild environment, and it is memorable of the rough terrain, comfortable climate, warm human relationship and unyielding character there. But in France city the tourist can get another experience such as the finely luxurious, fashion leisure, freedom and overindulgence, indulge and enjoying. In the Britain North Ireland, there are more tour program such as Golf, pony-trekking and walking tour which show the core connotation of the local tourism brand. Most famous destinations in the world always sell their tour product and service with these particular attributes and set up their destination brand through brand function, experience and symbol. In conclusion, most of the destination brand must be delivered one kind of promise and unforgettable tour experience because it close connect with and contributes to recall the pleasure experience of the concerned destination.

The destination brandization is more difficult to bring into effect than the other object products since the latter have more controllable attributes, and the destination image possesses more complexity and multi-dimension. Nevertheless, the image-building of the object product have the same doctrine as to the destination brandization, even as the before-mentioned, the destination brand building also could be created on the function, experience and symbol through study on the selection, development and management of the attribute of destination.

If the brandization of core attractions gets success, the tour service contains more significance and satisfactory would be popularized to deepen tourist's experience. After this destination brandization stage, the relative tour product and service could be designed and sold to the market by virtue of the extend of core brand notion.

Building eco-tourism brand base on Means-end chain

According to the above analysis and the specific property of the Jiexi County mountainous landscape product, and application the approach about the Means-end chain in Figure 2, this paper put forward the strategy of eco-tourism brand building with the core notion of tourist-oriented.

Strategy creation about the eco-tourism brand

Owing to the mass eco-tourism product exists comparability in more mountain area, so the mountain landscape development and tour design should consider the special attributes of attractions as to distinguish form the other similar product. The main problems about the tourist development in Jiexi County listed below: (1) take care specialty of mountainous landscape, (2) natural attribute should combine with the local traditional culture and form an individuality different from the other eco-tourist product; (3) pay attention to cooperate with surrounding region and act together in tourist development so that the high add-value tour product could be designed and sold.

The destination brand always is looked as benefit restriction but no attribute restriction by tourist, so it is very important to upgrade the benefit restriction in tourist's mind if the eco-tourism brand strategy is introduced to local tourist development in Jiexi County. Dayang mountain Golf court is the most unique mountainous golf court in Guangdong Province so it has stronger attraction to the market than other Golf court. In addition, the characteristic with Chaozhou and Hakkas civilization is the special tour product that visitor likes. Therefore, there is a harmonious blend of humanity and nature attribute in the eco-tourism brand building that make the local tour product have high quality and allurement.

Building eco-tourism destination image through regional cooperation

Therefore, this paper, on the basis of assessed result and tourist industry development stage and guided by the theory of traverse analysis, believed that the destination brand could be created through the different model:

(1) The neighboring cooperation model, it means that several surrounding neighbor counties of Jiexi could build up tight cooperative relationship. There is a unique tourist resource, the Dayang holiday zone in Jiexi County in East Guangdong province, which is hard to replace by other resources. According to the comparison superiority theory, the periphery counties around Jiexi county have the basis of cooperation, which chiefly means to mend mutually and bringing radiant effect among these several counties;

In the research field of the different document, it indicates that the regional cooperation stresses the tourist resources interdependence. And in the case study, more destinations which has a sound basis tourist industry, various tourist resources and usually located at the same district had been selected as research object. But in the practice, the undeveloped tourist region always has similar landscape with the near tourist area, not any distinctive feature in tourist attraction and even more in an intense competing area. So, these tourist area have be become the focus field about their development and management by scientist. Jiexi County belongs to this type of tourist area so that they must take the regional tourist cooperation strategy and pay more attention with nearby counties. According to the research of Bramwell (1997) and Dou Wenzhang (2000), they pointed out that the regional tourist cooperation means some region in a definite district no matter how they managed by any administration, they must take effort to develop tourist industry and bring together so as to form a whole base on the immanence conjunction of resources and neighborhood of the geographic space. Then the same tour image and brand had been set up and participate in market competition through the way of market and resource share. Then it could build up the tour attraction as a whole and get in the way of sustainable tourist. In this regional cooperation model, the interior competition in the same district would be transferred as the exterior competition with other area, thus it could strengthen the unitary predominance of local tourist industry development.

(2) The remoteness cooperative model, it indicates that the tourist cooperation should be built up also with far distance place such as Meizhou, Chaozhou and Shangtou city, because these cities are essential target markets for Jiexi

County. Form these model, the authors put forward the tourist image-building of Jiexi County that is "the inimitable Hakka culture and green tour of eco-tourist destination. This image not only embodies the characteristic of Jiexi tourist resources, but also emphasizes the future development direction.

Landscape conjugation is the foundation of remoteness cooperative model, and its substance is to unify the diversity of the landscape. The real meaning about that can be described as the following:

?The landscape conjugation always has the fixed inherent interrelated feature on tourist resources because it is the foundation of regional tourist development. In this means, the different tour resources have similar feature and could interwork in whole region. In this paper chiefly studied the mountainous area of Jiexi in which the landscape have more resemblance with the neighboring area, in other words, the landscape could be replaced easily if without any tour personality. Moreover the quality of landscape should not have too big widely to other similar attractions. If so, one region in the district would has better competitive advantage and often restrain the tourist development of other part, finally the significance of the tourist cooperation would be lost and restrict the tourist growth of undeveloped area.

? From the topic of the neighborhood on the geographical space, it means that the tour destination form an aggregation or linear in definite district. The former is each destination apart from very close such as the area located at the border of different province, cities or counties. The latter is linked with highway and history incident or site distributed as a line. Jiexi County, from its geographic position, with Jieyang, Meizhou, Chaozhou and Shantou have close link by highway and connecting to form a remoteness cooperative network. Owing to these cities spatial neighborhood it is propitious to form the tour corridor and take the tourist development in one unit.

Conclusion

Lastly, this paper put forward the brand development strategy as eco-tourist destination:

(1) developing mass travel in order to amass visitors and raise brand effect

The tourist industry has just start in Jiexi County and the good foundation of sightseeing should be built first. In this stage the main purpose is to enlarge the scope of the local tourist industry. The sale marketing should be spread not only in the neighboring cooperation area but also in the remoteness cooperative area. There are several south province including Hunan, Jiangxi and Zhejiang etc., which have dense populations and fast economic growth, and means a large tourist source market for Jiexi. So they can be looked as the main target marketing area. Jiexi

County must plan and develop eco-tourist sightseeing product in order to meet this market.

(2) building up the holiday tour product as the tourist main target in order to increase tourist income

Since the holiday tour usually needs more time and money, so the corresponding product should be designed and developed. Several of the holiday zone have been finished including Dayang mountain Golf vacationland, Temeisi holiday zone and Jingming Tea garden recreation zone of Jiexi County and all they are ideal products for leisure and holiday tour. Secondly, Jiexi County is a mountainous eco-tourism destination and has good conditions to develop holiday product such as sunstroke preventing, coming back to nature, body exercise and recreation. In the next stage, it is very important to hold on the holiday as major element and make great efforts to design the eco-tourist, culture tourist, leisure and study tourist product in order to fully represent the selectivity of eco-tourist product according to the available resources in Jiexi.

(3) building eco-tourism destination brand gradually to promote tourist industry development

It is necessary that the corporeal tourist products should be behaved with invisible eco-tourism brand through product design in Jiexi County. Thus it is easy to establish the image as eco-tourism destination brand and finally promote the tourist into sustainable development model.

There are series successful cases of destination brandization produced in Yunnan province of Southwest China. It is easier to find out its brand strategy orbit occurred in the different periods. Before 10 years ago, the tropic rainforest scene and folk custom of Dai nationality brought up a famous brand "Xishuangbanna". Dali City had got popularity mainly rely on the film "five golden flowers". A best-known legend of "Ashima" and stone forest marvelous spectacle created the "stone forest" brand in Lunan County. In Lijiang city an "ancient city" brand has been established by virtue of the world culture heritage and Yulong Mountain. Another famous tourist brand is "Shangri-la" in Diqing Zang nationality autonomous county. Kunming city, capital of the Yunnan province, built up a new tourist brand "horticulture expo forever" in 1999 when the world horticulture expo had been taken place over there. All these tour brand development strategy are worth learning. Seeing from the management, the eco-tourism is one kind of brand, and it is difficult to design a certain product. Eco-tourism should be looked as one kind of brand strategy of marketing and use it to attract tourist and raises the popularity.

References

Dennis R Judd. Promoting tourism in US cities [J].Tourism Management,1995,16(3): 175-187.

Tazim B. Jamal,Donald Getz. Collaboration theory and community tourism planning [J]. Annals of tourism research,1995,22(1): 186-204.

Fagence M. Regional tourism Cooperation [J]. Annals of tourism research,1996,23(3): 717-720.

James Elliott. Tourism: Politics and public sector management [M]. London and New York:Routledge,1997.

Gnoth J. Conference Reports: Branding Tourism Destinations [J].Annals of Tourism Research,1998, 25(3): 758-760.

GNOTH J. Branding Tourism Destination [J]. Annals of Tourism Research, 1998,25(3): 758-760.

GNOTH.J. Leveraging Export Brands through a Tourism Destination Brand [J].Brand Management, 2002,9(4-5): 262-280.

Bramwell B, Sharman A. Collaboration in local tourism policy making [J]. Annals of tourism research,1999, (26)2: 392-41.

Hall D. Destination Branding [J].Journal of Vacation Marketing,1999, (5):227-237.

Crockett S., L. Wood. Branding Western Australia: A Totally Integrated Approach to Destination Branding [J].Journal of Vacation Marketing,1999, (5):276-289.

Philip Kotler, John Bowen, James Makens. Translated by Xie Yanjun. Tourist marketing [M], Beijing: Tourist Education Press, 2002.

Buhalis D. Translated by Ma Xiaoqiu. The market problems of the destination development [J]. Journal of Tourism, 2000, (4):69-73.

Liping A. Cai. Cooperative Branding for Rural Destinations [J].Annals of Tourism Research 2002, 29(3): 720-742.

Peter A kerhielm,Chekitan S.Dev, Malcolm A. Noden. Brand Europe: European Integration and Tourism Development [J]. Cornell Hotel and Restaurant Administration Quarterly (2003, October-December)

Wan Xin-zhu. Study on the culture brand construction of the world water & electricity [J]. Journal of Hubei Three Gorges University,2000,22(6):5-14.

Nie Xianzhong. The research on the tourism attraction, tourist's behavior and development strategy for Hangzhou city[J], Urban research, 2000,(3):50-53.

Yao Zuowei. A Preliminary Research on the Tourist Brand [J]. Economic Survey, 2001, (5):94-96.

Li Yan, Niu Zhiwen. Study on the tourist destination brand building [J]. Journal of Beijing International Studies University, 2001,(5):58-66.

Li Leilei. A discussion on Spatial Rules of Tourist Destination's Image Perception [J]. Scientia Geographica Sinaca, 2000, 20(6):563-568.

Li Yan. Research on the brand support for tourist product [J]. Business Economics and Administration, 2001, 111(1): 58-63.

XU Xilin, CHENG Hongj. On Tourism Service Image and its Establishment [J]. Journal of Guilin Institute of Tourism, 2001, 12(3):35-38.

FEI Zhenjia. A marketing research on Wudang mountain tourism [J]. Journal of Shiyan Technical Institute, 2001, 14(1):46-52

Wang Song, Han Zhenhu. A profound think about tourist brand[J].Social Scientist,,2001,16(6):43-46.

Peng Jie. A study on the brand marketing of the center city [J]. Economist ,2001, (9):25-27

LI Shumin,ZHI Yu,SHAO Jinping. Discussing the Design and Construction of the Concept of the Brand of Tourist Attractions [J].Journal of Northwest University, 2002, 32(3):35-38.

Yang Minduo, Zhen Chao. Analysis of Brand Management in Tourism [J]. Commercial Research, 2002, (3):142-145.

Wei Xiaoan. Demonstrate Research on tourist destination development,Beijing: China tourist Press, 2002.

Cui Fengjun. Innovation and development on Chinese traditional tourism destination. China tourist Press, 2002.

Den Hui, Lu Weixing. A study on the hiberarchy of the tourist Brand in Hubei province and its application in the name brand strategy [J]. Theory monthly, 2002, (6):107-108.

Fan Bin, Ming Qingzhong, Zhao Fei Yu, Zhou Bin. A Study on Molding Brand Identity of the tourism Destination-a case study of the Tourism brand of Shangri-la [J]. Yunnan Geographic Environment Research, 2003, 15(1):75-79.

ZHANG Ying. An Analysis of Branding Tourism Destination and its leverage [J]. Journal of Chongqing Normal University (Natural Science Edition) 2003, 20(4): 76-78.

LINGA Min-li (2004). A Brand Development Idea On Zhangjiajie Ecology Tourism [J].Journal of Zhuzhou Institute of Technology, 2004, 18(1): 102-104

Bramwell, Bill. European Collaboration in Sustainable Tourism[J].Annals of Tourism Research,1997.24(2):440-442

DOU Wen-zhang, YANG Kaizhong, YANG Xinjun. The Progress of Regional Tourism Competition Study [J]. Human Geography, 2000, 15(3):22-27.

About the author

Dr. Zhang mu is a professor in the Department of Tourism Management at the Shenzhen Tourism College of Jinan University, P.R.China. He received a diploma in Geography and a Ph. D degree in Geography from Fujian Normal University, China. Since 1985, he was a teacher in the Department of Tourism & Environment at the Guangxi institute of education and involved in several national and local government R&D projects. His research interests include: geography, land use & planning, tourist resources development & planning and the GIS application. He has more than 60 publications to his credit in Chinese and international journals or conferences in these areas.

ZHANG HAN-Yu is faculty member in Department of Tourism Management, Shenzhen Tourism College of Jinan University,Guangdong, China

JOURNAL OF H&T
www.johat.com

An Evaluation of Critical Factors To Successful Community-Based Tourisum in Kenya

Wanjohi Kibicho
MOI University, Department of
Tourism Management,Kenya.

Abstract : Tourism has become increasingly important as a source of revenue and employment in Kenya. This study uses the case studies of Kimana Wildlife Sanctuary and Mwaluganje Elephant Sanctuary to analyze the growing importance of local communities' involvement in the development of tourism. Usually, tourism development without the involvement of the local people results in human-tourism conflicts. Using data collected from the above mentioned sanctuaries, this paper analyzes how collaboration can resolve or even avoid such conflicts. Factor analysis was used to determine the critical factors in community development of tourism in the two case studies. The findings revealed that success of local community development of tourism is affected by inclusion of key stakeholders, recognition of mutual benefits to be derived from the collaborative process, perception that decisions arrived at will be implemented and collaboration in formulation of aims and objectives.

Key Words : Community-based tourism, Kenya Wildlife Service, Kimana Wildlife Sanctuary, Mwaluganje Elephant Sanctuary, local community, Kenya, Africa

Introduction

In many insular and less-developed regions, tourism has been developed and controlled by large multinational corporations with little consultation from the local communities and lack of regard for local socio-cultural and economic conditions (Ashley, 1995; Cuplan, 1987; Dieke, 1991; Finn, 1996; Reid, 1999, Richards & Hall, 2000; Simmons, 1994; Weaver, 1998). This has been done with little consultation with the local communities. Thus, the local people end up becoming the objects rather than the subjects of development (Jamal & Getz, 1995, 2000; Murphy, 1985; Reid, 1997; Reid & Dreunen, 1996). No sooner the tourists start trickling-in in big numbers, noticeable environmental degradation sets in as does the local residents' disenchantment. This is normally marked by ecological and social limits being reached which leads to replacement of easy coexistence by growth conflict or resentment (Reid, 1999). Further, the local economy's resource base becomes overtaxed. This results in resource competition as opposed to resource sharing (Jurowski et al., 1995; Reid, 1999; Simmons, 1994).

Resource competition in wildlife-based tourism destinations in Kenya has been exacerbated by the way protected areas (PAs) were established during the pre-colonial period. Moreover, the post-colonial Government 'perfected' the colonial legacy (of establishment of PAs) which included non-existent consultation with local communities, large-scale land expropriations and the banning of traditional hunting in 1946, so that white hunters could attain a monopoly over the elimination of game animals threatening the expansion of plantation economy. Local subsistence hunters were branded as 'poachers' which occasionally lead to the punishment of the whole community (Olindo, 1991; Weaver, 1998). Citing a Brazilian example, Wallace (1991) reports that because local communities receive little or no income from tourism, the parks are encroached upon extensively by local people who see no other tangible benefits from PAs. In addition, the PAs are seen as an unwelcome obstruction to traditional land uses (Olindo, 1991; Wallace, 1991; Weaver, 1998). If well developed, however, community-based tourism has the power to mend these resentments through empowering the local people by generating employment opportunities thereby improving their incomes and developing their skills and institutions (Ashley, 1995; Bramwell & Sharman; Jamal & Getz, 1995, 2000; Olindo, 1991; Reed, 1997; Taylor, 1995; Wallace, 1991; Weaver, 1998). However, it should be noted that local communities must be actively involved in tourism projects from the initial planning stages and should eventually share the benefits and costs of the projects in their areas (Ashley, 1995; Naguran, 1999; Weaver, 1998). By focussing on community development, the local people will realize the importance of the PAs to their welfare and thus become more committed to bio-diversity conservation (Finn, 1996; Gill & William, 1994; Naguran, 1999; Reed, 1997, 1999; Richards & Hall, 2000; Weaver, 1998). On the same strength, if all attention is focused on bio-diversity conservation, the local people will feel that they are secondary to wild resources being preserved (Bramwell & Lane, 2000; Joppe, 1996; KWS, 1997; Reid, 1999; Taylor, 1995; Wallace, 1991).

Historical Development of Kenya's Protected Areas Network

The first game reserve in Kenya (Southern Game Reserve) was established in 1896 under the management of the National Park Trustee - NPT (IUCN, 1991; KWS, 1997). The NPT was strengthened by the National Parks Ordinance of 1945 which gave the trustees the authority and impetus to acquire lands for the establishment of national PAs. The post-independence Government further recognized the importance of PAs. This fact is qualified by the Government's statement in 1965 which stated that, 'the importance of wildlife to Kenya's future prosperity must be appreciated by everyone and National Parks and National Reserves must be protected and preserved' (IUCN, 1991). In 1991, Kenya Wildlife Service (KWS - a Government parastatal under the purview of the Ministry of Tourism and Wildlife Management) was formed to manage wildlife both within and outside the PAs.

As noted earlier the establishment of the PAs in Kenya was marked by displacement of the indigenous people from their ancestral lands. Limited resource use, such as fuel collection and herding was permitted within the national reserves, but a ban remained in effect in national parks like Amboseli and Shimba Hills (Olindo, 1991; Reid et al., 1999). This resulted in local communities constantly clashing with the PAs authorities. As a way of expressing their dissatisfaction the Maasais adjacent to Amboseli National Park and the Ndigos neighboring Shimba Hills National Park, for instance, kept on spearing the wild animals. The Maasais claimed that the lions were killing their livestock while elephants were said to destroy farm crops by the Ndigo farmers. With the realization of the dangers the two aforementioned PAs were facing, KWS encouraged the establishment of small-scale, community-based projects to link bio-diversity conservation and community development through the use of tourism.

Towards this end, the Maasais around the Amboseli National Park were assisted to form group ranches in the early 1990s (Figure 1). The formation of these ranches was aimed at organizing the local community participation in wildlife-based tourism in order to derive benefits accruing from conservation activities (Olindo, 1991; Reid, 1998; Weaver, 1998). In the case of Shimba Hills National Park, the KWS in collaboration with the Eden Wildlife Trust, a private investor initiated the Mwaluganje Elephant Sanctuary project. The local community runs this project with constant assistant from the two founding bodies and other sponsors. Both projects are focused on the local people's daily problems and other issues related to the communities' history and culture. This marked the birth of community-based tourism in Kenya.

However, even with the creation of these community-based tourism projects the local people-wildlife conflicts continued especially in the Kimana area. Within the period 1995-2000, for instance, the local residents around Amboseli National Park killed a total of 29 "large mammals" (16 elephants, 9 lions and 4 buffaloes). The area around Shimba Hills National Park had only 6 elephants killed by the locals in the same period. Overall, this was a 16% increase and 63% decline of "large mammals" killed by the local people in Kimana and Shimba Hills areas respectively as compared to the period 1990-1995. The decline in the number of elephants killed in Shimba Hills area has been attributed to the creation of Mwaluganje Elephant Sanctuary (KWS, 1997). This community-based tourism project has positively changed the local residents' attitudes towards wildlife and conservation in general. The question that remains unanswered is why hasn't the creation of Kimana Wildlife Sanctuary had similar attitudinal changes for the local community around Amboseli National Park? This forms the central research question of the current study.

In-line with the above discourse, therefore, this study evaluates why

Mwaluganje Elephant Sanctuary has succeeded in achieving its original objective while Kimana Wildlife Sanctuary has not. In order to achieve this objective the study strives to answer the following 3 specific research questions: (i) what are the factors critical to successful community-based tourism (ii) why is there a difference between the success of the two sites and, (iii) how do the local residents differ in their opinions with regards to the identified factors? This research, however, is not intended to provide statistically accurate results, due to the small sample size but highlights some of the critical issues in the field of community-based tourism. Thus, it could be an important point of departure for future research on the current aspect of tourism.

Study Areas

Case Study 1 - Kimana Wildlife Sanctuary

Kimana Wildlife Sanctuary is within Kimana Group Ranch, one of the seven Maasai group ranches around Amboseli National Park (Figure 1). It was chosen as a case study based on its longstanding, broad community-based tourism with a particular emphasis on community development. Kimana Wildlife Sanctuary was established in 1990 and had expanded to 100,000 acres by 1995. In 1997, 253,000 visitors were recorded. U.S.-based tourists accounted for 61% of the total arrivals with the remaining coming from Europe (KWS, 1997). The project is a joint venture between the Maasai community, Mt. Kilimanjaro safaris and KWS. It is situated at about 75 kilometers on the North-eastern end of the Amboseli National Park. Despite occupying less than 1% of the Kimana Group Ranch, the Sanctuary covers several swamps which are very important areas in the Amboseli ecosystem. This area is considered a home for over 200 species of birds, making it one of the finest bird watching spots in Kenya. During the dry seasons many wild animals also converge to this area in search of water. Among such animals are the 'big five species', namely the elephant, lion, leopard, cheetah and the buffalo.

The Kimana Wildife Sanctuary has emerged as a major source of income for the region, as supportive services have been established in access corridors adjacent to the sanctuary. Those relating to tourism include a women handicraft cooperative, which has grown from 8 to 63 members since its inception in 1993 (KWS, 1997). The sanctuary is also characterized by numerous Maasai cultural manyattas which employ a total of 17 permanent workers. Cumulatively, these projects involve 50 local families in activities related to tour guiding, accommodation, entertainment and sale of local artifacts. Further, the local community derives benefits from the project in other ways: a proportional percentage of land rentals, a 30% turnover, profit sharing from both the development and operating companies plus an intake of 25% of the gate fees. This project demonstrates how a local community can get involved in tourism projects with shared decision-making responsibilities in the operating of the project.

Case Study II: Mwaluganje Elephant Sanctuary

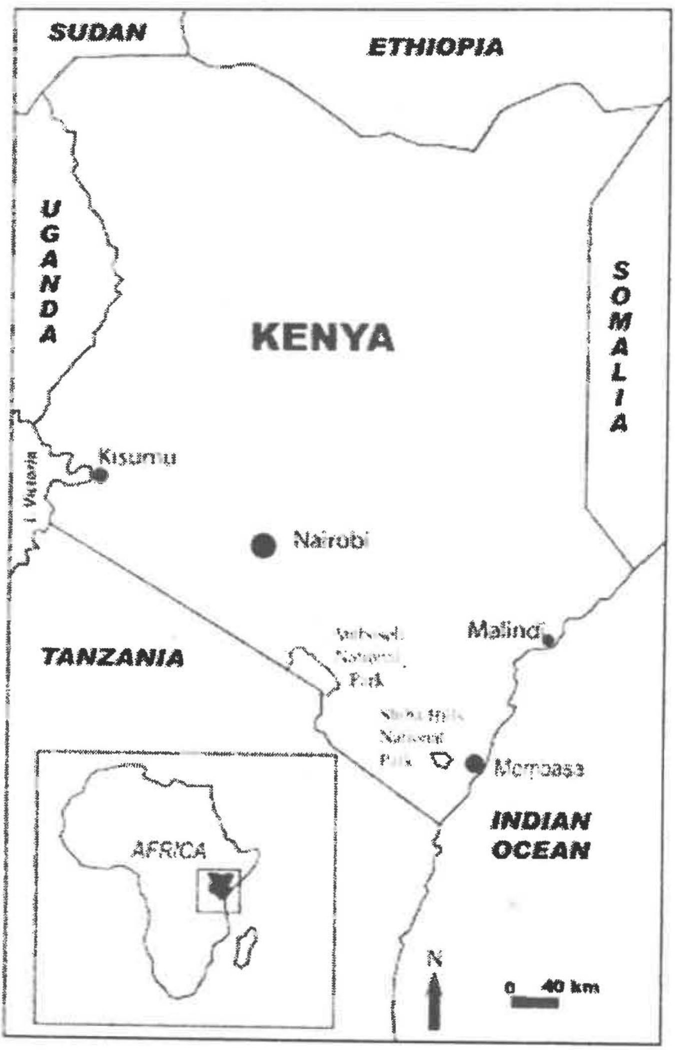
Mwaluganje Elephant Sanctuary is located at about one hour drive North-west of the city of Mombasa (Figure 1). The Sanctuary, covering an area of 60,000 acres, was started in 1994 as a conservation area to create a corridor for elephant movement between Mwaluganje Forest Reserve to the North and Shimba Hills National Park to the South and as a way of conserving local cultures. It is a joint venture between private landowners, the KWS and a local natural history charity, the Eden Wildlife Trust. The KWS mobilized the local community to agree to vacate their lands (now designated as the sanctuary). By the time of its inception KWS had assisted the sanctuary to secure a total of Kenya shillings 1.5 million that would be shared among members after demarcation of land. The management encouraged the locals to retain their money in the form of shares in order to continue 'owning' the project. The number of shares and individual received was predetermined by the number of acres s/he surrendered.

Currently there are 33 full time employees paid from the project income. Their main duties are fence attendance, receiving visitors at the gate and the visitor's center and conducting guided tours within the Sanctuary. Guests mostly come from Germany (51%), Britain (20%), France (11%), Israel (8%), Scandinavian countries (4%) and locals (6%) from private safaris and organized groups particularly schools. In 1996 the Sanctuary signed a Memorandum of Understanding with the Travellers Beach Hotel (a 5-star beach hotel in the south coast) to be bringing visitors to the Sanctuary at least once per week.

The Sanctuary is the home to a variety of big mammals. They include; elephants, leopards, zebra, bush-buck, water-buck, monkeys (colobus and sykes), warthogs, wild pigs, sable antelopes among others. There is also a high diversity of bird-life resulting from the varied habitats. The habitats change from savannah to semi-arid vegetation, turning to riverine forests along the streams. Cultural tourists will also not miss something to meet their interests. The Kayas, Mijikenda's sacred shrines, abound in the region with their fascinating histories can easily be sampled. On Mwaluganje hill, for instance, is kaya mtae which is a sacred Duruma settlement. Although not occupied, Duruma elders occasionally return to it for prayer and offer sacrifices to 'their God' in times of severe calamities.

The Trust manages the day-to-day operations of the Sanctuary. Within the Sanctuary there is an eco-lodge, The Travellers Mwaluganje Elephant Camp, which is partly owned by the locals. The local community owns 50% shares, 30% goes to the Trust and the remaining 20% to the Sanctuary's management. The local community derives benefits from a variety of other ways. These include: profit sharing from both the development and operating campsites, 30% of the gate fees, and 6% of the turnover and a proportional of land rentals. A part from this, KWS in collaboration with the Eden Wildlife Trust have constructed classrooms and a health center for the community. They have also organized educational trips to Tanzania and Zimbabwe for the local people.

Figure 1 : The Study Areas



Methodology

Sampling

Information presented in this study is based on survey interviews with the tourism stakeholders in the areas around Amboseli and Shimba Hills national parks. The respondents were divided into a priori groups. These groups were: general residents, business leaders, retirees and Government administrators. The interviews were done in the period May through July 2003. Snowball sampling procedures were employed in the two case studies. This method involved identifying a core subset of residents who are affected by the tourism projects and then asking them to nominate other stakeholders they considered to have relevant characteristics or information. These nominated stakeholders were then asked to nominate others who they thought had information important for the current study (For more details on this method of sampling see Finn, 1996). This referral methodology resulted to the identification of 103 respondents. The sample size, though relatively small by social science standards, represents a pragmatic compromise between level of precision and cost of data collection.

Questionnaire

The survey instrument used in this study comprised of some items suggested by Jamal & Getz (1995) and Naguran (1999). The nineteen survey items were developed with an intention to capture the six critical factors for community-based tourism development as proposed by these researchers (Table 1). The instrument consisted of two sections. The first section sought information on the respondents' demographic characteristics. These included; age, origin, level of education and gender. The majority of the respondents were male (73%). They had an average age of 37 years with 79% having some college or lower levels of education (For the composition of the respondents see Tables 5 and 8). The second section included 19 closed-style items and required respondents to rate their level of agreement with each item by indicating their response on a 5-Point-Likert scale ranging from 'strongly disagree = 1' to 'strongly agree = 5'. In all instances the author interviewed the respondents orally. In both case studies, English and Kiswahili languages were used. The study notes were then transcribed based on taped interviews.

Table 1 : Survey Items[a]

1.	We all benefit by working together in this project.
2.	The local community is an important stakeholder in tourism development.
3.	Collaboration between our community and the project managers boosts the overall performance of the project.
4.	In most cases decisions made were implemented.
5.	The project convenor was imposed on us.
6.	The project always achieved its objectives.
7.	We appreciate the work done by the convenor.
8.	Formulation of the aims and objectives is done without consulting with the local people.
9.	We do not have say in the implementation of what has been agreed upon.
10.	The initiation and facilitation of our participation in the tourism project is done by a legitimate convenor
11.	The convenor always explained to us why common decisions have not been implemented.
12.	The aims and objectives of the project reflected the needs of our community.
13.	The local residents have a meaningful voice in the organization and administration of tourism.
14.	Small-scale tourism projects are more beneficial to our community than the large-scale ones.
15.	There is mutual respect and shared learning as a result of our tourism project.
16.	All stakeholders are equally influential in the negotiations and decision-making.
17.	There is fairness in the distribution of the benefits and costs of tourism development in our community
18.[b]	We participate in tourism development in our region through this project.
19.[b]	We participate in environment conservation in our region through this project

[a]What is your level of agreement with the following statements?

Scale: 1= Strongly Disagree; 2= Disagree; 3= Indifferent; 4=Agree; 5=Strongly Agree

[b]Items omitted during the analysis

Data Analysis and Discussion

Data analyses were done by Factor Analysis, Reliability Analysis and Discriminant Analysis using Statistical Package for Social Sciences (SPSS/PC+). These analyses were conducted to examine dimensionality, internal homogeneity, and discriminant validity of the items respectively. Further, Hierarchical Cluster Analysis was used for identifying local people with similar views about the development of community-based tourism in the study areas. One-way ANOVA tests and t-tests were also undertaken to examine the statistically significant differences between the two sites and among groups of respondents on the study variables.

Factor Analysis

Since a similar battery had been found to have six distinct but correlated dimensions (Jamal & Getz, 1995; Naguran, 1999), a six-factor solution subjected to oblimin rotation using SPSS+ Varimax procedure was undertaken on the nineteen rating scales (Table 1). The factor loadings obtained suggested a slight variation in the clustering of some items relative to the prior grouping which also differed across the six categories not to mention the high loading on more than one-factor by many items. In general, the first Principal Component Analysis resulted in a six factor solution with a KMO of 0.7895 and explained 56.3% of total variance. Unfortunately, one factor was not very meaningful, consisting of two variables with low reliability (Cronbach alpha = 0.074). The existence of variables with low communalities (below 0.5) and factor loadings were also observed. These variables were analyzed for deletion, using the criteria put forth by Hair et al. (1995). Accordingly, variables 18 and 19 were omitted during the rest of the analysis (Table 1).

Further, these differences were sorted-out by a five-factor solution subjected to orthogonal rotation, SPSS+ Orthogonal, to facilitate any possible correlation among the categories. This procedure produced a factor pattern which was remarkably consistent across the combined sample and easy to interpret as it was a relatively 'pure' solution (i.e. each variable heavily loaded on only one factor). The resulting factor solution presented: Respondents/variables ratio = 103/17 = 6.06; 65% total variance explained; KMO = 0.7025; Bartlett Test of Sphericity = 1168.0083 (sig. = 0.0000); Generally low anti-image (negative partial) correlation (only 7.52% >0.2); MSA all > 0.675; Reproduced Correlation Matrix: 39% of residuals with absolute values > 0.05; Correlation Matrix with 23.7% correlation > 0.3 and Communalities: all > 0.5. All factors had at least one item with factor loading greater than 0.500 (Table 2). In addition, the solution had Cronbach-alpha Coefficients ranging from 0.6304 to 0.8013 and an overall scale reliability of 0.719 which exceeds Nunnally's (1978) threshold of 0.7. In general, all the five factors were found to be highly reliable and valid.

These values of reliability coefficient, alpha, by and large indicate high internal consistency among items testing a similar factor within the battery used. These preliminary analyses are omitted here for brevity of space.

As shown in Table 2 the factors emerged in a fairly consistent and easily interpretable manner. Thus, it was easier to designate different survey items into five factors. These factors were Inclusion of stakeholders, Recognition of individual and mutual benefits, Perception that decisions arrived at will be implemented, Appointment of legitimate convenor and Formulation of aims and objectives. Table 2 shows that the predominant factor was Factor 1, Inclusion of stakeholders. It deals with the local community's involvement in the project's daily affairs.

Table 2 : The Resultant Factorsa

Factor Name	Factor Loading[b]	Eigenvalue	% of Variance Explained	Cumulative %
Factor 1: Inclusion of stakeholders	**0.7010**	5.02	35	35
1.	0.6908			
2.	0.5471			
13.	0.7116			
16.	0.6025			
Factor 2: Recognition of individual and mutual benefits	**0.7629**	4.09	11	46
	0.8003			
3.	0.7139			
14.	0.7000			
15.	0.7211			
17.				
Factor 3: Perception that decisions arrived at will be implemented	**0.6871**	2.74	8	54
	0.6921			
4.	0.6000			
9.	0.6480			
11.				
Factor 4: Appointment of legitimate convenor	**0.6304**	1.26	6	60
	0.5142			
5.	0.6005			
7.	0.5290			
10.				
Factor 5: Formulation of aims and objectives	**0.8013**	1.04	5	65
	0.7946			
6.	0.8002			
8.	0.7808			
12.				

[a]Factors for the combined sample (Survey items are as in Table 1).

[b]In bold are Cronbach alpha while the rest are Factor Loadings. Absolute loadings of less than 0.4 have been ommitted.

The second factor, Recognition of individual and mutual benefits included variables which related to importance of stakeholders working together to achieve the project's objectives, as well as individual and community goals. The third Factor, Perception that decisions arrived at will be implemented, related to the implementation of the decisions arrived at. The fourth factor, Appointment of legitimate convenor, included variables that described the role(s) played by the convenor. The last factor, Formulation of aims and objectives, was associated with the projects' aims and objectives and how they relate to the local people's aspirations.

The loading patterns generally reveal that Inclusion of stakeholders is the best combination as it makes up the first factor. Perception that decisions arrived at will be implemented is the best linear combination, among the rest of survey dimensions, for explaining the variance not explained by Recognition of individual and mutual benefits. Appointment of legitimate convenor and Formulation of aims and objectives follows respectively depending on their linear combination power to explain the variance unexplained by the preceding dimension.

Discriminant validity of the current battery was examined by comparing the coefficient alpha and the correlation between one dimension to another (Table 3). This analysis was done on the combined sample. Table 3 shows that for the five constructs, the Cronbach's alpha values for standardized variables are systematically higher than the correlation between any two tested dimensions. This implies that discriminant validity is present (Gaski, 1986). However, high correlation values of the scales indicate an existence of some overlaps among the five constructs used in the current research battery. This can be attributed to the few items measuring the same factor.

Table 3 : Zero Order Correlation

	(1)	(2)	(3)	(4)
Factor 1	**0.7010**[b]			
Factor 2	0.524	**0.7629**[b]		
Factor 3	0.636	0.600	**0.6871**[b]	
Factor 4	0.570	0.389	0.711	**0.6304**[b]
Factor 5	0.246	0.132	0.560	0.590

[a] $P < 0.005$

[b] Croanbach's alpha for standardized variables.

Comparative Evaluation of the Case Studies

Upon examination of a two-way contingency table for group and site (Table 4), it was found that while there was a fairly even split of the overall sample based on site (with 52% of the respondents coming from Kimana Wildlife Sanctuary and 48% Mwaluganje Elephant Sanctuary), the percentages of the two sites differed significantly among groups. These differing percentages suggested that the group differences in factor scores may have been confounded with case study differences. The breakdown of the respondents by group and case study was as outlined in Table 4.

Table 4 : Two-way Contingency Table for Group Membership and the Case Study

Case Study	General Residents	Business Leaders	Retirees	Government Administrators	Total
Kimana	23 (60%)	8 (37%)	9 (50%)	14 (46%)	**54 (52%)**
Mwaluganje	16 (40%)	13 (63%)	9 (50%)	11 (54%)	**49 (48%)**
Total	**39 (39%)**	**21 (20%)**	**18 (17%)**	**25 (24%)**	**103(100%)**

Values in the body of the Table are the number of the respondents in that particular group and site combination. Percentages of the two case studies are shown in parentheses

The results of the two-way contingency table raised the following additional questions.

Question 1: Were factors themselves consistent between respondents in Kimana and those in Mwaluganje, and

Question 2: On which factors did interviewees from the two sites differ significantly in their opinions?

To further explore potential differences based on group, one-way ANOVA tests were performed.

Comparison of level of agreement for different groups of respondents

The mean scores in the four groups of stakeholders on the 17 dependent variables are given in Table 5 along with the outcome of one-way ANOVA tests. Thirteen of the seventeen survey items were significantly ($p < 0.05$) different across the four types of respondents (Table 5). General Residents showed the lowest mean score on survey items 4, 7, 10, 11 and 17 while Government Administrators had the highest mean score in these variables. Thus General Residents showed a relatively higher level of disagreement on the survey items on 'the perception that decisions made will be achieved' (Factor 3) and 'the role of the convenor' (Factor 4). Conversely, the General Residents reported comparatively high levels of agreement on survey items on 'local people's participation in the project activities' (Factor 1: variables 1 and 2). On the other hand, Retirees reported a higher level of agreement on issues related to the importance of the community-based tourism projects to meet their community's development needs (Factor 2: variables 3, 14 and 15). For all items on which significant differences ($p < 0.05$) were observed Business Leaders reported either highest or second highest mean score. This suggests that Business Leaders' level of agreement with specific survey items were more positive than respondents in other groups (mean score of 4.1 on the 5-Point Likert scale). In contrast, General Residents showed the lowest level of agreement with the 17 dependent variables (mean score of 3.6

on the 5-Point Likert scale).

However, it should be noted that, only one of the seventeen survey items (variable 12) was significantly different across the four age-groups (F-value = 2.703; P-value = 0.049). Likewise only variables 12 (F-value = 2.612; P-value = 0.041) and 17 (F-value = 2.990; P-value = 0.035) were significantly different based on gender. Additionally, no significant differences ($p < 0.05$) were found with regards to marital status, level of education and place of residence. This can be attributed to the non-probability sampling procedure (snowball sampling) employed in the present study which resulted to a sample dominated by male respondents (73%). In general these analyses revealed that statistically significant differences ($p < 0.05$) existed among groups of respondents as well as between the two case studies. In other words, on certain variables and factors the differences in attitudes as measured by the overall factors were occurring not only because of the group to which the respondents belonged, but also because of the case study (See also Table 7).

Table 5 : ANOVA for comparison of level of agreement on dependent variables by group of respondents

Survey Items[a]	GR (n = 39)	BL (n = 21)	R (n = 18)	GA (n = 25)	F- value	P-value
1.	4.6	4.5	4.4	4.5	0.530	0.604
2.	4.8	4.7	4.7	4.6	1.106	0.324
3.	3.9	4.2	4.5	3.8	5.017	0.003
4.	2.2	4.2	3.1	4.3	9.010	0.000
5.	4.4	3.7	3.2	1.1	9.400	0.000
6.	3.7	3.9	3.9	4.1	4.990	0.004
7.	2.0	3.9	3.7	4.0	7.981	0.000
8.	3.9	3.0	2.7	2.4	6.190	0.000
9.	4.0	3.8	3.4	2.8	7.330	0.000
10.	2.4	3.7	3.0	4.1	6.380	0.000
11.	1.0	4.0	2.8	4.2	9.250	0.000
12.	4.3	4.7	4.6	4.8	4.893	0.004
13.	4.2	4.3	4.0	4.3	5.004	0.004
14.	4.8	4.8	4.9	4.7	0.483	0.664
15.	4.0	4.1	4.3	4.0	0.522	0.572
16.	3.8	4.0	3.5	4.3	6.371	0.000
17.	3.8	4.3	3.9	4.4	5.318	0.002

[a] Survey Items as in Table 1

GR=General Residents; BL=Business Leaders; R=Retirees; GA=Government Administrators.

The importance of evaluating different community-based tourism projects separately on item opinions lies in eventual use of analyses of tourism survey. Analyses that do not consider important and unique characteristics of such projects can be inadvertently misused by decision makers in different communities to formulate tourism policies or management plans suitable to their needs with little or no benefits accruing to the local people. According to growth machine theory, the potential backlash from such decisions could result in an antigrowth movement led by those of the opinion that the tourism project or development is not being carried-out in accordance with their own aspirations or that of the community in general. Growth machine theory contends that, an interest in growth is the overriding common interest of certain powerful forces within a community. The residents making up the growth machine seek to influence the rest of their community members in belief that growth is to be desired and is economically beneficial to everyone (Molotch, 1976). Therefore, local people's attitudes towards tourism development will depend on the benefits to be derived from growth for any particular group of residents.

In addition to the empirical evidence of potential case differences in the current study, recent studies by several researchers have pointed out the fallacy of performing factor analysis on an entire data set, rather than for subgroups that may differ based on the factors (Case & Graefe, 1996; Jurowski et al., 1993; Jurowski et al., 1995; Sheppard, 1996; Toth & Brown, 1997). Hair et al. (1995) and his co-workers further note that "...whenever differing groups are expected in the sample, separate factor analyses should be performed, and the results should be compared to identify differences not reflected in the results of the combined sample" (p. 75).

Based on the above observation it was deemed necessary to conduct factor analyses on the entire sample as well as for separate samples. The percentage of variation explained by each factor is presented in Tables 2 and 6. The percent variance explained by each factor is important in interpreting factor analysis for two principal reasons. First, the amount of the total variance among respondents' attitudes that is captured by a particular factor can be measured by the percent of variance explained by the factor. Second, the greater the percent of variance explained by a factor, the less agreement the respondents in the sample have about the particular facet of community-based tourism that the factor represents (Toth & Brown, 1997).

Table 6 : Factor Solutions for the Combined Sample, Kimana and Mwaluganje Separately

Factor Name	% of Variance
Combined (N = 103)	
Factor 1 = Inclusion of stakeholders	35
Factor 2 = Recognition of individual and mutual benefits	11
Factor 3 = Perception that decisions arrived at will be implemented	8
Factor 4 = Appointment of legitimate convenor	6
Factor 5 = Formulation of aims and objectives	5
Kimana (N = 54)	
Factor 1 = Inclusion of stakeholders	37
Factor 2 = Recognition of individual and mutual benefits	10
Factor 3 = Perception that decisions arrived at will be implemented	8
Factor 4 = Appointment of legitimate convenor	5
Factor 5 = Formulation of aims and objectives	5
Mwaluganje (N = 49)	
Factor 1 = Recognition of individual and mutual benefits	33
Factor 2 = Inclusion of stakeholders	9
Factor 3 = Perception that decisions arrived at will be implemented	7
Factor 4 = Appointment of legitimate convenor	6
Factor 5 = Formulation of aims and objectives	5

Table 6 reveals that, although the 5 factors were consistent, the amount of variance explained for each of them was quite different for the combined sample, for Kimana and for Mwaluganje. The factors for the combined sample and the factors for Kimana were significantly identical in the amount of variance explained for each Factor. However, for Mwaluganje the amount of variance explained by each factor emerged to be significantly different from the overall sample and from Kimana. The most variation explained for the overall sample and for Kimana by the Inclusion of stakeholders factor. Respondents from Kimana, with 37% of the variance explained, are in more disagreement in their attitudes toward the role played by the local people in the community-based tourism in their area than their counterparts from Mwaluganje for whom only 9% of the variance is explained. Respondents from Mwaluganje, on the other hand, have less agreement in Recognition of individual and mutual benefits (33%) than their counterparts from Kimana who were found to be more consistent in this issue of mutual and individual benefits (10% of variance explained). It is important to note that the fifth factor on Formulation of aims and objectives showed a comparatively high level of consistency for the combined sample (5%), for Kimana (5%) and for Mwaluganje (5%). These percentages indicate more agreement on the Formulation of aims and objectives than for the other four factors (See Table 6).

These results indicate that the factors defined using the combined sample reflects significant differences in variance explained by different factors in the Kimana and Mwaluganje samples. However, it should be noted that this variation of respondents' attitudes that was analyzed by the factor analysis was due to strength of opinion rather than polarized opinions. In other words, respondents generally agreed in their overall opinions about community-based tourism projects in their areas; but some residents feel much more strongly than others about the same issues.

Using the critical factors developed by Jamal & Getz (1995, 195-199) and Naguran (1999, 41) which defines a successful partnership as an analysis framework, the case studies can be evaluated to reveal on which variables and indeed factors the respondents from the two case studies differ significantly in their opinion. To achieve this, simple t-tests between Kimana and Mwaluganje findings were performed (Table 7).

Table 7 : Differences in Level of Agreement

Survey Items[a]	**Mwaluganje**[b]	**Kimana**[b]	***T*-Value**	***P*-Value**
1.	4.5 (0.7)	4.5 (0.9)	-0.310	0.713
2.	4.7 (0.8)	4.6 (1.1)	0.704	0.400
3.	4.2 (1.3)	4.0 (1.0)	-0.410	0.683
4.	4.8 (0.8)	2.0 (0.6)	-6.703	0.000
5.	2.1 (1.0)	4.0 (1.5)	6.297	0.000
6.	4.0 (1.0)	3.8 (1.3)	-0.584	0.554
7.	4.8 (0.5)	1.9 (0.5)	-6.099	0.000
8.	2.9 (1.8)	3.0 (1.7)	-1.596	0.094
9.	2.4 (1.2)	4.5 (1.1)	5.902	0.000
10.	4.9 (0.6)	1.6 (0.4)	-6.801	0.000
11.	4.7 (0.9)	1.3 (1.6)	-6.903	0.000
12.	4.6 (0.6)	4.5 (0.7)	-0.188	0.904
13.	4.3 (1.4)	4.1 (1.5)	-0.542	0.570
14.	4.8 (1.1)	4.8 (1.9)	-0.249	0.824
15.	4.1 (0.7)	4.0 (0.6)	0.404	0.600
16.	4.0 (0.6)	3.8 (0.4)	-0.590	0.557
17.	4.2 (1.9)	3.9 (1.8)	-1.800	0.070

[a] Survey Items as in Table 1

[b] Mean Scores. In parenthesis are the Standard Deviation

Table 6 indicates that the respondents from Kimana and Mwaluganje areas differ in their levels of agreement on some variables. Statistically significant differences ($P < 0.05$) between the two categories of respondents were noted in variables 4, 5, 7, 9, 11 and 17 (See Table 1 for the variables descriptions). Respondents from Kimana Wildlife Sanctuary indicated a relatively lower mean score on variables 4, 10, 11 and 12. Conversely, residents from Mwaluganje Elephant Sanctuary had high mean scores on these survey items. This implies that the convenor played a significant role in these statistically significant differences. Further, these results suggest that the convenor was imposed in the case of Kimana area.

Respondents reported a non-significant difference ($P < 0.000$) on survey items 1 and 14. This finding suggests that the residents from the two areas know the importance of collaboration in community-based tourism development. Such collaboration adds value to the whole process as the stakeholders combine their knowledge, insights and capabilities to ensure the success of the project (Bramwell & Lane, 2000; Jamal & Getz, 1995; Reed, 1997). It also implies that, they are 'aware' of the implications of large-scale vis-à-vis small-scale tourism projects. Small-scale, locally-owned tourism operations increase the multiplier and spread effects within the host-community and avoid problems of excessive foreign exchange leakages (see Bramwell & Sharman, 1999; Bramwell & Lane, 2000; Kibicho, 2004).

Further, Z - scores revealed that these differences are due to differences between the two case studies ($Z = 2.714$; $P < 0.05$). Moreover, Hierarchical Cluster Analysis also identified clear dissimilarities in composition of Cluster 1 (dominated by respondents from Kimana Wildlife Sanctuary) and Cluster 2 (dominated by interviewees from Mwaluganje Elephant Sanctuary) (Table 9). These results are interpreted in Table 8.

Table 8 : Comparative Analysis of the Case Studies

Factor[a]	Kimana Wildlife Sanctuary	Mwaluganje Elephant Sanctuary
1	- Sufficient recognition of the benefits of collaboration -sufficient and meaningful inclusion of the local communities prior to the creation of the sanctuaries	
2	- Respondents saw joint and individual benefits as mutually exclusive - Competition for resources exists	
3[b]	- A history of unimplemented agreed upon proposals and few promises kept.	-Trust in collaboration as led by KWS
4[b]	- No clear leadership structure. The legitimacy of the existing one being questioned.	- Clear leadership structure with high levels of effectiveness in-terms of influencing the development of community-based tourism in the area
5	- Clear structure, prioritization of aims and goals of the projects. Characterized by regular checks by the funding organizations	

[a]Factor names as in Table 2

[b]Factors that are significantly different between Kimana and Maluganje at the 0.05 level

Table 8 reveals that, for three of the key criteria, clear commonalities exist between the two cases. The first factor illustrates a relatively high level of recognition of the benefits of working together of the stakeholders in an attempt to meet a common goal, whilst guided by their respective agenda. The factor further reports sufficient and meaningful inclusion of members of their respective communities that were involved in tourism activities prior to the creation of the sanctuaries. The second factor highlights the influence of the post-colonial context on attitudes towards collaboration or partnership in bio-diversity conservation and tourism development in Kenya. This is shown through a clear lack of recognition of the reciprocal benefits which can be realized by a collaborative or partnership approach. The local people still dread the unfair competition for resources in favor of bio-diversity preservation at the expense of their local community's development. The fifth factor reveals the influence of the project sponsors on the perceived effectiveness of the community-based tourism. It should be noted that, in most cases, the funding organization are more interested in the effectiveness/success of the projects, laying little or no emphasis on the underlying and less tangible factors of community-based tourism like stakeholders collaboration (See for example Waddock, 1984).

For the remaining factors (3 and 4) clear differences exist between the two cases. The third factor underlines the level of mistrust existing between the local community involved in the running of Kimana Wildlife Sanctuary and the national conservation body of the KWS. This implies that there is lack of mutual respect and shared learning between the two interested parties. Contrary to the Kimana's finding, data analysis revealed a high level of trust between the local people, the Eden Wildlife Trust and the KWS at the Mwaluganje Elephant Sanctuary. This cordial relationship is attributable to many 'unbroken promises' by the stakeholders. The KWS, in particular, was reported by the local people to have honored all their promises to the local community. These promises ranged from individual compensation to implementation of community development projects, such as the construction of health clinics and classrooms. However, it should be stressed that overcoming mistrust is difficult, particularly when there are complex environmental problems related to tourism in a destination as is the case of Kimana Wildlife Sanctuary. The fourth factor illustrates the lack of local people's Eco-tourism as a brand development strategy for Jiexi County - strategic issues and challenges participation in project decision making process due to an absence of a clear leadership structure in the Kimana Wildlife project. In contrast, the Mwaluganje Elephant project has a well defined leadership structure with encourages local community's participation at all levels of the decision making process.

Whilst the Mwaluganje case appears to be relatively successful in terms of meeting most of the criteria used in the current study (Table 8), questions remain as to the detail and focus of the evaluation. Factor 1, for instance, acknowledges the existence of recognition of interdependence between stakeholders, but it is silent about the possible conflicting objectives which they constantly strive to fulfill. This is a fertile area for further research.

Combined respondents' scores on the five factors were then used as composite variables for identifying local people with similar views about the development of community-based tourism in Kimana and Mwaluganje case study areas. Since the numbers of segments were unknown beforehand, Hierarchical Cluster Analysis was chosen. Cases were standardized to minimize the level of bias in the end results. The Ward Method was used to maximize homogeneity within a given cluster. It produced a well interpretable solution and provided distinguishable clusters, as confirmed by profiling in Table 8. A three-cluster solution was best supported by the criterion of relative increase of agglomeration coefficient (Hair et al., 1995). Chi-square tests of homogeneity of proportions for categorical variables showed significant differences between all clusters on the five factors (Table 8). For group profiling, differences on the five factors and demographic characteristics were analyzed resulting in the characterization below (See also Tables 9 and 10).

Cluster 1 - 'Operatives' (n = 41)

Cluster 1 accounted for 40% of the sample. This group was most interested in 'local people's involvement in the planning and implementation of the project's activities'. However, compared to other clusters, members of this category did 'not' put more emphasis on the selection of the convenor or even the role s/he plays in the project. This group, interested in participating in the community projects, may be called the operatives. They are advocating for a wider range of participants in the project activities which is representative of all relevant stakeholders in the community. However, it should be stressed that this is not easy to achieve in the two case studies, where wealth and power tend to be more unevenly distributed. Their overall agreement level was relatively high. This group was old (with an average age of 48 years) and dominated by respondents from Kimana Wildlife Sanctuary (69%), and had relatively low education levels.

Cluster 2 - 'Opinion Leaders' (n = 33)

Cluster 2 (32% of the sample) valued most the benefits their community gets from the projects. Paradoxically, this group did not particularly value local people's participation in the community projects. They are interested in tangible benefits going to their people (More research is certainly needed on this area). They are the residents making up the growth machine and thus referred to as the opinion leaders. Their average agreement level was comparatively low (Table 9). Unlike Cluster 1, respondents were roughly equally distributed between the Kimana Wildlife Sanctuary (52%) and the Mwaluganje Elephant Sanctuary (48%). The average age of respondents was 36 years.

Cluster 3 - 'Formal Leaders' (n = 29)

Cluster 3 (28% of the sample) was dominated by respondents from Mwaluganje Elephant Sanctuary (68%). The respondents valued the success of the project the most. This group was not interested in who does what in the project activities. Members seemed to idealize the importance of consultation during the formulation of the project's objectives and how to achieve such goals. Government administrators (44%) comprised the majority of this group, and were influenced by the project's sponsors, who seemed to be only interested in the overall projects' effectiveness. This collaborates earlier community-based tourism studies which found that state power was used to further the interests of developers at the expense of small local entrepreneurs, thereby stifling grass-roots approaches to development (Arnstein, 1969; Bramwell & Sharman, 1999; Finn, 1996; Naguran, 1999; Olindo, 1991; Reed, 1997; Richards & Halll, 2000; Simmons, 1994; Weaver, 1998). Ironically, the disparate nature of local stakeholders segment may hamper efforts to generate community-based initiatives. In particular, the tension between pragmatic and radical approaches to community development may prevent co-operation between Cluster 1, and the more radical Cluster 3 will often be wary of working with commercial interests. This group scored the highest on the agreement scale and possessed the highest levels of education and is thus called formal leaders.

It is clear that there are similarities between Clusters 2 and 3, which both value the success of the community-based tourism projects in their regions, while Cluster 1 appreciates the local people's participation. Despite different critical factors valued by the segments, recognition of individual and mutual benefits is highlighted by all. The low interest of segment 1 on participation in the formulation of aims and objectives of the project may reflect lack of self-confidence due to the respondents' low levels of education. They seem to fear the complexity of such an assignment (See for example, Arnstein, 1969; Bramwell & Sharman, 1999; Weaver, 1998).

Community-based Tourism Models

This study has revealed the importance of involving stakeholders in tourism planning and management (Table 2). This is mainly because local community inclusion into the tourism project arrangements has the potential to lead to dialogue, negotiation and the building of mutually acceptable proposals about tourism development in general. Moreover, such broadly based ownership of tourism policies brings equity, operational advantages and an enhanced tourism product. An enabling environment, a prerequisite for community-based tourism, will further necessitate the need to differentiate between top-down or imposed proposals and legitimate community initiatives.

Stakeholder Characteristics of Clusters

Table 9 : Stakeholder Characteristic of Clusters

Characteristics[a]	**Cluster 1 (N = 41)**	**Cluster 2 (N = 33)**	**Cluster 3 (N = 29)**
Age	(%)	(%)	(%)
Under 30	4	8	26
31- 40	13	55	51
41-50	58	21	10
51-60	20	10	12
Over 61	5	6	1
Gender			
Male	71	72	76
Female	29	28	24
Education			
Some college or less	70	68	30
College graduate	25	29	10
University Graduate or above	5	3	60
Composition			
Kimana	69	51	32
Mwaluganje	31	49	68
Respondents' Categorization[b]			
GR	63	40	8
BL	8	23	13
R	15	20	35
GA	4	17	44

[a]Chi-square tests of homogeneity of proportions for categorical variables were used to see if differences existed among the three clusters. All results are statistically significant at the 0.005 probability level.

[b]GR = general residents; BL = business leaders; R = retirees; GA = Government administrators

Table 10 : Factor Rankings and Level of Agreement

	Cluster 1	Cluster 2	Cluster 3
Factors[a] (Kruskal-Wallis mean ranks)			
1.	133.79	54.81	65.39
2.	98.24	126.33	105.20
3.	61.02	115.61	124.97
4.	43.68	136.66	127.08
5.	96.57	93..17	115.33
Agreement levels (Kruskal-Wallis mean ranks)			
Overall weighted	98.15	77.31	103.20

[a]Factors description as in Table 2

In the case of our two study areas, these community initiatives are manifested in the form of three different models. The first model involves collaboration between the local community and the Government (central or local). Community-Government collaborations are important as the Government mostly depends on private investors to provide services and to finance the development of tourism facilities. On the other hand community tourism projects must be approved by the Government not to mention the usage of the state developed infrastructure. Furthermore, many destination area attractions are public property and the hospitality needed for a memorable visit must come from members of the public. The local community receives profits minus the costs associated with Government operations. In the second model the local community is connected to the private sector through a way of lease or contract agreement. The community develops the tourism facilities then approaches a private investor to operate them. In the case of the lease arrangement, a lease fee is paid to the community while the operator pays all returns minus costs if it is a management contract. The final model takes a form of partnership between the local community and Government or private investor(s). The distinct feature of this model is that the private investor develops, operates and maintains the tourism facilities and infrastructures. The developer, whether Government or private investor must pay a concession fee based on the percentage turnover to the local community.

The three models identify the relationships between stakeholders as they interact with each other in relation to tourism development. Each of them control in one way or the other some resources, such as knowledge, expertise and capital. Due to the complexity and fragmented nature of the tourism industry, these stakeholders need to collaborate with one another, as it is likely that none of them posses all the necessary resources for tourism development. This recognition has brought together the four main stakeholders (general residents, business leaders, retirees and Government administrators) in the two case studies. This implies that there are potential mutual or collective benefits from them collaborating with each other. Thus, there are synergistic gains from sharing resources, risks and rewards. Consequently, the studied case studies reflect a hybrid model which is a combination of the three discussed models.

From the discussion put forth by the previous commentators and indeed observations by the current study, community-based tourism models are expected to improve the local people's attitudes towards tourism. Tourism development will be more successful with such positive attitudes among destination's residents as tourism relies on the goodwill of the local people as they are part of its product. Where tourism projects do not fit within societal aspirations and capacity, resistance and hostility by the locals may destroy its potentials (Bramwell & Sharman, 1999; Gray, 1989; Jamal & Getz, 1995; 2000; Molotch, 1976; Naguran, 1999; Kibicho, 2002; Simmons, 1994). Furthermore, the integrity of PAs (both public and private) depends upon the cooperation of local people, who have right to use the resources therein, however, must also be taken into account (Dieke, 1999; IUCN, 1991; Joppe, 1996; KWS, 1997; Murphy, 1985; Reid, 1999; Taylor, 1995; Wallace, 1991; Weaver, 1998).

Conclusion

The limitations of the current study must be highlighted. First, the sample was not representative, as this would require a random process of selecting participants from a known population, which was deemed impracticable for the purposes of this research. Secondly, limitations are implicit in the multivariate statistical techniques, requiring subjective choices of methods and interpretations. However, results of this exploratory study may permit some insightful conclusions about critical factors for development of small-scale community-based tourism projects.

The overriding objective of this study was to examine the critical factors resulting to attitudinal differences in regards to wildlife conservation in Amboseli and Shimba Hills areas despite the establishment of small-scale community-based tourism projects in the two regions. Related to this objective, the research makes four principal conclusions. First, following factor analysis on the combined sample and the separate samples (those of Kimana and Mwaluganje), the study identified five factors critical to successful community-based tourism. These factors were: Inclusion of stakeholders, Recognition of individual and mutual benefits, Perception that decisions arrived at will be implemented, Appointment of legitimate convenor and Formulation of aims and objectives. This is unlike Jamal & Getz (1995) and Naguran (1999) studies which identified six distinct but correlated dimensions. However, it is acknowledged that the present study sample was small. Further research is thus needed to establish the validity of these findings with a bigger sample.

Second, although the 5 factors were consistent, the amount of variance explained for each of them was different for the entire sample, for Kimana and for Mwaluganje. Although the factors for the combined sample and those for Kimana were significantly identical in the amount of variance explained, those for Mwaluganje case study varied significantly. However, it should be noted that this variation of respondents' attitudes was due to strength of opinion rather than polarized opinions.

Third, the study found that the interviewees from the two sites differ significantly in their opinions with regards to the third and the fourth factors (Perception that decisions arrived at will be implemented and Appointment of legitimate convenor). Z - Score analysis showed that these differences are due to differences between the two case studies ($Z = 2.714; P < 0.05$). From a general viewpoint, there is lack of mutual respect and shared learning between the local residents and the KWS in Amboseli area. This however is not the case in Shimba Hills area where the stakeholders reported high levels of cordial relationship. The fifth factor further revealed lack of local people's participation in the project decision-making process in Kimana due to lack of leadership structure. However, this is not the same in Mwaluganje area where a well designed leadership structure exists. Further, the findings suggest that the respondents from the two case studies can be divided into three categories according to their interest(s) in the community-based projects under study. These segments are: Cluster 1, interested in participation in the projects' activities, Cluster 2, concerned with the community's benefit from the projects and Cluster 3, which value the success of the project than the rest of the clusters.

Fourth, based on the existing literature and the findings of this study it can be concluded that a community development approach (i.e. a bottom-up approach) to a proposed tourism project is more likely to be supported by the locals as it confers a degree of ownership by the community in the development process and management. Moreover, community-based tourism helps in (i) avoiding adversarial conflicts among the collaborators, (ii) improving the coordination of policies and related actions and (iii) adding value as the collaborators combine their knowledge, insights and capabilities to ensure the success of a project. However collaboration is not without challenges. The power of the collaborators, for instance is often unequal and thus some stakeholders might be tempted to not fully support the collaboration process. Lastly, as earlier mentioned, the findings in this study should be viewed as tentative, but as an encouragement for further investigation, not only to enrich collaboration theory but also to aid in community-based tourism development and management policy formulation.

References

Ashley, C. (1995). Tourism Communities and the Potential Impacts on Local Incomes and Conservation. Windhoek. Directorate of Environmental Affairs, Ministry of Environment and Tourism (Unpublished report).

Arnstein, D. (1969). A Ladder of Citizen Participation. Journal of the American Institute of Planners, 4, 216-224.

Bramwell, B., & Lane, B. (Eds.) (2000). Aspects of tourism: Tourism collaboration and partnerships, politics, practice and sustainability. Clevedon, UK: Channel View Publications.

Bramwell, B., & Sharman, A. (1999). Collaboration in local tourism policy making. Annals of Tourism Research, 26(2), 392-415

Case, A., & Graefe, A. (1996). Gender Dimensions in Ecotourism on Dominica. Kansas City, MO: National Recreation and Parks Association Symposium on Leisure Research.

Culpan, R. (1987). International tourism model for developing countries. Annals of Tourism Research, 6(1), 36-48.

Dieke, P. (1991). Policies for tourism development in Kenya. Annals of Tourism Research, 19(2), 269-294.

Finn, C. (1996). Utilizing Stakeholders Strategies for Positive Collaborative Outcomes. In C. Huxhamm (Ed.), Creating collaborative advantage (pp. 152-164). London: Sage.

Gaski, J. (1986). International among a channel entity's power sources: impact of the exercise of reward and coercion on expert, referent, and legitimate power sources. Journal of Marketing Research. 23 (February): 62-77

Gill, A., & Williams, P. (1994). Managing growth in mountain tourism communities. Tourism Management, 15(5), 212-220.

Gray, B. (1989). Collaborating: Finding common ground for multiparty problems. San Fransisco, USA: Jossey-Bass.

Hair, J., Anderson, R., Tatham, R., & Black, W. (1995). Multivariate data analysis with readings (4th ed.). Engelwood Cliff, NJ: Prentice Hall.

IUCN (1991) Protected areas of the world: A review of national systems, Vol.3: Afrotropical. Gland Switzerland: World Conservation Union.

Jamal, T., & Getz, D. (1995). Collaboration theory and community tourism planning. Annals of Tourism Research, 22(1), 186-204.

Jamal, T., & Getz, D. (2000). Community roundtables for tourism-related conflicts. In B. Bramwell, & B. Lane (Eds.). Aspects of tourism: Tourism collaboration and partnerships, politics, practice and sustainability(pp. 159-182). Clevedon, UK: Channel View Publications.

Joppe, M. (1996). Sustainable tourism development revisited. Tourism Management, 17(7), 475-479.

Jurowski, C., Uysal, M., & Noe, F. (1993). U.S. Virgin National Park: A factor-cluster segmentation study. Journal of Travel & Tourism Marketing, 1(4), 3-31.

Jurowski, C., Uysal, M., Williams, & Noe, F. (1995). An examination of preferences and evaluations of visitors based on environmental attitudes: Biscayne Bay National Park. Journal of Sustainable Tourism, 3(2), 73-86.

KWS (Kenya Wildlife Service) (1997). Maintaining Bio-diversity into the 21st Century. Nairobi, Kenya: Government Printers.

Kibicho, W. (2002) Perceived socio-cultural impacts of tourism: The Case of Malindi, Kenya. In J. Akama, P. Sterry (Eds.) Cultural tourism in Africa: Strategies for the new millennium (pp. 109-124). ATLAS: The Netherlands.

Kibicho, W. (2004). Tourism and the Sex Trade: Roles Male Sex Workers Play in Malindi, Kenya. Tourism Review International, 7 (3/4): 129-141.

Molotch, H. (1976). The city as a growth machine: Toward a political economy of place. American Journal of Society, 82, 309-331.

Murphy, P. (1985). Tourism: A community approach. New York: Routledge.

Naguran, R. (1999) Community-based tourism in Kwazulu Natal: Some Conceptual Issues. In: Reid, D. (Ed.) Ecotourism in Eastern and Southern Africa (pp. 106-122). Zimbambwe: Weaver Press.

Olindo, P. (1991). The Old Man of Nature Tourism: Kenya. In: Whelan, T. (Ed.) Nature Tourism: Managing for Environment (pp. 98-111). Washington: Island Press.

Reid, D. (Ed.). (1999). Ecotourism in Eastern and Southern Africa. Harare: Zimbabwe: Weaver Press.

Reid, D., & Dreunen, L. (1996). Leisure as a social transformation mechanism in community development practice. Journal of Applied Recreation Research, 21(1), 47-59.

Reed, M. (1997). Power relations and community-based tourism planning. Annals of Tourism Research, 2(4), 566-591.

Richards, G., & Hall, H. (Eds.). (2000). Tourism and sustainable community development. London: Routledge.

Simmons, D. (1994). Community participation in tourism planning. Tourism Management, 15(2), 98-108

Sheppard, A. (1996). The sequence of factor analysis and cluster analysis: Differences in segmentation through the use of raw and factor scores. Tourism Analysis, 1, 48-57.

Taylor, G. (1995). The community approach: Does it really work? Tourism Management, 16(7), 68-88.

Toth, J., & Brown, R. (1997). Racial and gender meanings of why people participate in recreational fishing. Leisure Sciences, 19,129-146

Waddock, S. (1984). Understanding social partnership: An evolutionary model of partnership organizations. Administration and Society, 21, 78-100.

Wallace, G. (1991). Wildlands and ecotourism in Latin America. Journal of Forestry, 91(2), 37-40.
Weaver, D. (1998). Ecotourism in the Less Developed World. Wallingford, UK: CAB International.

About the author

Wanjohi Kibicho is a lecturer at MOI University, Department of Tourism Management, Kenya. His first and masters degrees major in tourism management. His research interests include sustainable tourism and tourism destination management. He is currently finishing his Ph.D. thesis at l'Université Lumière Lyon 2, France. His dissertation is about community-based tourism in Kenya.

JOURNAL OF H&T www.johat.com

Book Review

Managing Sustainable Tourism: A Legacy for the Future

David L.Edgell Sr.
2006, The Haworth Press
New York, pp-1-144

A high quality of environment is basic for tourism development. Whenever there is more traffic of tourist in a destination, there impact can be seen on the host area. The tourism development brings in special ecological problems. The environment has to be examined in terms of its physical characteristics. David L. Edgell Sr. in the present book came out with development of tourism in a sustainable way. He has cited good case studies which are helpful for the readers to interpret the ideas in each chapter. The book contains ten chapters defining different aspects of sustainable tourism. In the very first chapter the author has defined the tourism and explained importance of sustainable tourism in the eyes of Marco Polo to present tourism developers. He argued about clean, healthy and protected environment for tourism. He has discussed a case study of "U.S. Virgin Islands". Second chapter deals with understanding sustainable tourism. Key elements of tourism sustainability include meeting the needs of both visitors and host communities. He has discussed the elements sustaining tourism products keeping in mind the future need in tourism. A case study "Ecuador- The Wonderful world of the Galapagos Island" related to ecosystem has been discussed. Chapter three is related with economic aspect of tourism. Economic viability of sustainable tourism is discussed keeping in mind the worldwide increase in travel and interest of people in tourism and recreation. Showing the value of sustainable tourism a case study on "Missouri, Big Cedar Lodge-The Epitome of Sustainable Tourism" is cited. Nature is the base of sustainable tourism. Fourth chapter contains the nature based tourism issues to handle. The preservation of natural assets through skilled techniques has been discussed. An interesting case study "Sustainable Ecotourism Development in the Ember'a Indigenous Communities-Charges National Park, Panama" has been discussed. Heritage needs to be preserved as they are our part of our glorying past and teaches us about our ancestors. Chapter fifth encounters with importance of heritage and its importance in changing scenario of tourism and suggests a model. The accomplishment of a small rural community has been discussed in "Looking for

Lincoln-Vandalia, Illinois, Develops New Lincoln Park".

Culture is an important part in our life. It relates us with our people, area and traditions. In chapter sixth importance of cultural tourism has been discussed. Problems and priorities related to cultural tourism has been analysed. One of the most important archaeological sites of United States has been discussed in "Early Native Americans- Cahokia Mounds State Historical Site". Rural people are real owners of heritage and culture. Rural tourism as the main part of sustainable tourism has been discussed in seventh chapter. Importance of rural tourism and challenges in developing sustainable tourism has been discussed. As an example a case study "Roanoke River Paddle Trail-A 'Watery' Approach to Rural Tourism" has been discussed. In eighth chapter the importance of strategy in development of tourism has been discussed. Practical guidelines for sustainable tourism development are discussed. A Case study" Rural Masterpiece-Kansas Tallgrass Prairie National preserve" has been discussed. Problems are also there in developing sustainable tourism. Chapter ninth discuss about the problems in managing sustainable tourism. A positive sustainable tourism management case study "The Embodiment of Managed Tourism-Canada, Banff National Park". In the final chapter the author identify the future issue of sustainable tourism. The Case study "Sustainable Tourism in the U.S. Virgin Islands, St John-Maho Bay, Harmony, and Concordia," explains the merging of ecotourism and heritage tourism into a sustainable tourism model. In overall the author has done a systematic, analytical and suggestive work for the tourism developers, managers, educators as well as the students.

(Mukesh Ranga)

JOURNAL OF H&T
www.johat.com

Book Review

Casino Industry in Asia Pacific : Development Operations and Impact

Cathy H.C.Hsu
2006, The Haworth Press
New York, pp- 1-230

Gaming is part of life and existed since ages.It is part of many cultures in Asia.Professor Cathy H.C.Hsu has done a nice effort in present book with the help of authors expert in different areas of Casino industry in Asia.Governments are turning towards casino industry to capture the loss through illigal betting and to boost their economy.The Editor has divided the book in three parts and thirteen chapters.The first part and five chapters are related with history, development and legistation of casino industry.First chapter discuss about the historical development of gaming in Australia and goverment's policy in four major historical periods.The chapter contains different oporrtunities and challanges in Australian casinos.The second chapter deals with Korean casino's chareristics, the major casino events and reciepts from foreigners alongwith regulations and operating policies.The third chapter Macao's history of gaming in legal as well as illigal form.The gloring history of casino industry in Macao and recent changes after liberalisation in 2001 has been reviewed.The fouth chapter analyses whether the game played on panchinko machines comes under casino in Japan where gambling is a illigal activity.The author discussed th lottery and various forms of racing.Chapter five contains legal gaming in Southeast Asia. The status of legal and illigal gaming, prospects of legal gaming, regulatory control and gaming control agencies are analysed.The second part of the book discuss the operating system of casino industry.Chapter sixth discusses why casino industry should be legalised and what should be the standards and jurisdictions for Asian gaming.Chapter also discuss licensing standard casino operational control elements.Chapter seven quotes about setting casino as a business starting from investigation, filling application forms, getting authorisation alongwith casino entity licensing, vendor licensing and employee licensing.Chapter eight discuss the importance of accounting and internal controls as well as auditing both internal and external.Chapter nine discuss the explanation of nonnegotiable chips specially as an instrument in calculating commissions paid to VIP or international premium players in casinos. Section three contains the gaming and its impacts on society.Chapter ten starts with impacts of gaming.The author identifies the reasons for rise in treating problem gambling to public health issue.It also discuss the government and industry reponses from problem gambling to responsible gambling.Chapter eleven discuss the brief history of casino industry in Australia, market structure and economic benefits alongwith gambling revenues, problem gambling and community percetption.Chapter twelve assess the positive economic and negative social impacts of casino industry in Korea.The books concluded with the importance of chinese players in modern casino industry.It analyses status of gaming legislation in Chinese society.The Editor has compiled almost all the issues related to casino industry in Asia.Book is very helpful for the persons entering in casino business, guide for the students and researcher as well as the educators in the field.

(Mukesh Ranga)

Guidelines for Contributors

SEND MANUSCRIPTS TO
Mukesh Ranga
Editor, Journal of Hospitality and Tourism
TH-2, Bundelkhand University Campus, Jhansi Pin - 284128, INDIA
E-mail : m_ranga@johat.com

Copyright

All article published in Journal of Hospitality and Tourism become the Journal's copyright with future rights reserved. However, this does not affect the author's / authoress' rights to use the material.

Manuscripts Submission

Manuscripts must be submitted in triplicate and be prepared to include the following sections: title page, abstract / key words, manuscript text, references, tables / figures, acknowledgements (if applicable). Only one copy of the manuscript should include a title page with manuscript title, author's name, academic degree, present position, complete address (including telephone / fax / e-mail) as well as a brief biography (at the bottom of page) indicating academic field, degree (including year and institution), title and affiliation, and research interests. The cover page for the other two copies should only show article title. Manuscripts should be typewritten on one side of the paper in 12 font New Times Roman, double spaced (including references), and should be checked carefully. Article should not be more than 30 pages in length. Submitted manuscripts should not have been published elsewhere. However, if a longer / shorter version or translation of a previously published article is being submitted, a photocopy of the original publication must be include.

Text Preparation on Disk

The electronic version on disk should be sent with the paper to the editor. The hard copy and electronic files must match exactly.

Abstracts, Key Words and Summaries

Authors should include an abstract of 150-200 words and up to 6 key words. Abstracts should contain an abbreviated representation of the content of the manuscript. Major results, conclusions, and / or recommendations should be given, followed by supporting details of method, scope, or purpose as appropriate.

References within Text

Citations in the text should include the author's last name, and year of publication enclosed in parentheses without punctuation. For example, (Sonmez 1994) or Crompton 1979, 1982) or (Yucelt and Marcella 1996) or (Fesenmaier et al. 1994) or (Dener 1995 : 14-21) (for quoted material). No footnotes or endnotes should be included.

References

All cited references must be given in full, including the volume, issues, and page numbers. The list of all references should be placed at the end of the paper, arranged in alphabetical order by authors' last names, as shown in examples below.

Periodicals / Journals

Palmer, A., & Bejou, D. (1995). Tourism Destination marketing alliances. Annals of Tourism Research, 22(3), 616-629.

Books

Porter, M. (1980). Competitive strategy: Techniques for analysing industries and Competitors. New York: Free Press.

Chapters In Edited Book

Walton, M. and Wilcox, L. A. R. (1996). Role of Women in Travel and Tourism. In R. Shah, M. Polen, and G. Mars (Eds.), VPR's Encyclopedia of Hospitality and Tourism (pp. 798-810). New York: Van Nostrand Reinhold.

Internet

Jacobson, J. W., Mulick, J. A., & Schwartz, A. A. (1995). A history of facilitated communication : Science, pseudoscience, and antiscience : Science working group on facilitated communication. American Psychologist, 50, 750-765. Retrieved January 25, 1996 from the World Wide Web : http://www.apa.org/journals/jacobson.html

Tables, Illustrations / Diagrams, And Photographs

All supplements to the manuscript text should be professionally done, should be enclosed on separate pages, and the place where they are to be printed must be clearly marked in the text (i.e., "figure 1 here"). Tables should be intelligible without reference to the text and should include a title caption and headings for columns. Very wide or very long tables should be avoided.

Illustrations / diagrams must be clear, suitable for direct reproduction (camera ready) and should include a title caption. Lettering should be large enough to be legible after reduction to printing size. The first author's name and figure number should be lightly pencilled on the reverse side of the sheet. Captions for illustrations / diagrams should be included on separate pages at the end of the manuscript. Photographs should be submitted unmounted on white glossy paper (slides are not acceptable). These pages should not be numbered.

Shorter Items

Responses to the articles should be 500-1000 words, book reviews and new pieces

250-500 words. Notices of forthcoming meetings for listing in the calendar section are welcomed. Entries must be received at least six months before the date of event.

Manuscripts Reviews

Submissions will be reviewed by a double-blind review process and will be published based on the recommendations of reviewers and discretion of the editors. Submissions to

JOHAT can be processed efficiently only if they are prepared according to these guidelines.

Proofs

Proofs may not be sent to authors. Authors are therefore advised to prepare the manuscripts with utmost care.

Journal of Hospitality and Tourism

SUBSCRIPTION ORDER FORM

Subscription rates are as

	Intuitional	Individuals/Academicians and Professionals	Students
One issue	70 US$	50 US$	40 US$
Full Volume	130 US$	80 US$	60 US$

I would like to subscribe to the **"Journal of Hospitality and Tourism"**

Volume ______________________ Year ______________________

Enclosed cheque/DD number ______________ Dated ____________

for US$ ____

Drawn on __________________________________ Bank in favour

of **Culture and Environment Conservation Society**, payable at Jhansi (INDIA).

Cheque should include US$3 as transaction charges

Subscriber's Details

Name and Designation ______________________________________

Organisation ____

Postal Address ____

Phone (with STD/ISD Code) ______________ Fax ______________

E-mail ____

Date ______________________ Place ______________________

Signature and Seal

Contents (Previous Issue)

Volume 3, No. 2, 2005 ISSN No.: 0972-7787

JOURNAL OF H&T
www.johat.com

Culture & Environment Conservation Society
TH-2, Bundelkhand University Campus, Jhansi, INDIA
Ph.: + 91 0517 2321082, +91 9415588048
E-mail : m_ranga@johat.com Website : www.johat.com